

## Enough! Say West Germans As Fraternal Welcome Sours

By Serge Schmemmann

BREMEN, West Germany — Last fall, the first waves of East German refugees were greeted with tears and champagne. Now they are increasingly met with resentment and disdain.

Nowhere is that more evident than in Bremen, which recently became the first city in West Germany to shut its doors to the East German immigrants who have continued flooding into West Germany despite the political changes in their land.

The reason, said Mayor Klaus Wedemeier, was that "we simply had no more room." With 7,000 of its own residents waiting for housing and 14.5 percent unemployed, he said, the city simply could not cope with any more East Germans.

Already five gymnasia had been converted into emergency barracks for the East Germans. And when city officials went to the suburb of Vegesack to take over yet another gym, they found that the local sports club had occupied the building to keep them out.

"Our action was not aimed at the East Germans," said Heinz Kording, the president of the club. "But something had to happen. We had to give a signal to the government that something had to be done to stop this."

The local government did. On Feb. 20, the city council, known as the Senate, declared a freeze on accepting resettlers.

Under existing procedures, arriving East Germans first go to a federal processing center and are then distributed among states. Bremen, despite a population of only 600,000, shares with Hamburg the distinction of ranking as a separate state, the legacy of their history as independent Hanseatic cities.

Only two months ago, when the euphoria over the reunion of the two Germans was still ablaze, Bremen would have been denounced as unpatriotic and inhumane for closing its doors. But in the sober mood that has settled over the land in the last two months, Bremen echoed a growing resentment all across West Germany.

Last fall, when the first waves of East Germans

arrived through Hungary or Czechoslovakia, they were escaping from tangible repression and breaching a barrier that had cooped them up for 40 years.

Now, with the gates wide open and changes imminent, they were increasingly perceived to be fleeing only for the money, and in the process to be both undermining the East German economy and straining West German social services. That, in turn, has made the exodus the dominant argument for rapid reunification.

Rare is the West German city that has not felt the weight of the flood of immigrants. Youth hostels, gyms, even prisons and ships in Hamburg's harbor have been converted into emergency housing, and still there is not enough. On Tuesday, Hamburg commandeered several vacant apartments for the resettlers.

Last year, 344,000 East Germans crossed into West Germany, along with 377,000 ethnic Germans from Eastern Europe and 121,000 Third World asylum-seekers. So far this year, 109,000 East Germans have arrived, and the rate has steadily crept upward from an average of about 1,800 per day in January to 2,250 a day in February.

A large number are unemployed, and no end to the flow is in sight. The German Institute for Economic Research predicted this week that the rate would begin decreasing only in 1991, and that an additional 1.5 million East Germans would move West in the next decade.

Bremen has not been alone in its resistance. Hamburg has cut back to a trickle the numbers of resettlers it accepts. In the neighboring state of North Rhine-Westphalia, 64 communities have declared themselves saturated.

Oskar Lafontaine, the premier of Saarland state and the likely challenger to Chancellor Helmut Kohl from the Social Democratic party in the December election, has campaigned on a platform of ending all special treatment for East German resettlers.

Added to such arguments is a growing sense that those East Germans who are fleeing now are in-

See REFUGE, Page 2



President Gorbachev listening Tuesday to the Supreme Soviet debate in which he was criticized.

## Gorbachev Wins Crucial Vote on Wider Powers, Debate Is Bitter

By David Remnick

MOSCOW — The Soviet parliament approved a law Tuesday that will make it possible for Mikhail S. Gorbachev to hold wide powers as the country's first executive president.

The measure was approved despite strong warnings that it provided for dictatorial powers.

Angry and bitter that he had been attacked over and over again on the floor of the Supreme Soviet, the parliament, Mr. Gorbachev said that his opponents, mainly members of the Interregional Group of radical deputies, were guilty of "cheap demagoguery" and were trying to stir up fear and instability for their own political gain.

"Those who were clamoring for a presidency at the top of their lungs three or four weeks ago are now saying that the presidency will lead to a dictatorship, and to the burial of democracy and reform," Mr. Gorbachev said. "But this question must be solved. It is necessary for the country."

After Mr. Gorbachev's speech, one of his critics, Sergei Stankevich, stepped to the microphone and asked the Soviet leader that in future debates he "show more respect for others in such discussions."

The vote to endorse the law on the presidency was 306 for, 65 against and 38 abstentions.

The bill on the presidency, which marks a shift in power from the Communist Party to the government, must be approved at a special session of the full legislature, the Congress of People's Deputies, scheduled for March 12-13.

The law says that the new president, virtually certain to be Gorbachev, will be elected to a four-year term by the Congress, and that the subsequent election — for a five-year term — will be a direct nationwide ballot.

Mr. Gorbachev is now president, but the title under present statutes gives him few of the powers envisioned by the new law. For now, most of his power resides in the office of general secretary of the Communist Party.

The new law says that the president is commander in chief of the armed forces, has control over the KGB and the Interior Ministry, can declare war "in case of attack," negotiate all international treaties, can issue "executive orders," can declare martial law and, as in some Western parliamentary governments, can dissolve the legislature and call new elections.

He would also preside over a cabinet that would include the heads of the armed forces, the KGB, the Foreign Ministry and the Interior Ministry, as well as the prime minister and chairman of the Supreme Soviet.

A committee led by Mr. Gorbachev and Vladimir L. Kuznetsov of the Institute of State and Law drew up the draft law over the past two weeks. Mr. Gorbachev and his supporters have argued that the country is in such a crisis situation that the transfer to strong presidential power must be done quickly and without the process of direct election.

Alexander Yakovlev, Mr. Gorbachev's closest ally on the Politburo said, "We can't wait. Central power is now much too weak. We need to strengthen it to go on with the work of renewing this society."

But many of the most prominent progressives in the legislature said that while the country needed a presidential system, the law required stronger checks on executive power, complete constitutional change and a deeper transfer of power to the union's republics.

Alexei Yemiljanov said that the country must be "forever" vigilant about the return of totalitarianism. "One of the fundamental contradictions of this law is that it assumes that we will elect a president of a united nation, like the U.S., rather than the leader of a group of sovereign republics," Mr. Stankevich said.

The criticism from the floor was so strong that during the lunch break one Gorbachev aide said that he thought that the bill was lost, and that at best the bill would be sent back to committee for further revision.

But the aide had overlooked two

See SOVIETS, Page 2

## U.S. Factory Orders Slump 10.5%, but Wall Street Shrugs

By Lawrence Malkin

International Herald Tribune

NEW YORK — A record drop in orders for durable goods restored a measure of sobriety to U.S. financial markets Tuesday, though not enough to make a drop likely in long-term interest rates.

Orders plunged 10.5 percent in January, the Commerce Department announced, the steepest decline since orders for durable goods — items expected to last three years or more — were first recorded 32 years ago. Wall Street rode out the news, rising further after Monday's sharp rally.

Terming the orders data "highly

unstable" but worse than he expected, Federal Reserve Board Chairman Alan Greenspan said that "the order pattern is soft, but by no means accumulating on the downside."

Such an accumulation, in Fed terminology, would signal the onset of a recession and lower interest rates.

"Manufacturing is still having problems," said Paul Lally of Citicorp Investment Bank. Alluding to Mr. Greenspan's recent judgment that the U.S. economy had come through the worst in the last quarter, Mr. Lally said, "If the economy

has hit the bottom, it's certainly not got up from the floor."

Aircraft accounted for about half of the 27.6 percent decline in transportation-industry orders in January. In December, the durable-goods index had moved up by a revised 1.4 percent because of aircraft deliveries that were delayed by a strike by Boeing Co. workers.

Most of transportation sector's remaining decline came from production cutbacks in the auto industry, with dealers overstocked. Shipbuilding and military tank orders also were down.

Excluding the transportation sector, durable-goods orders would have fallen a less alarming 3.4 percent in January, after remaining steady in December.

After the data were released, Wall Street prices rose largely on technical factors.

The Dow Jones industrial average closed 15 points higher, at 2,618.24, after surging almost 40 points on Monday.

In the foreign-exchange market, the dollar eased against the Deutsche mark initially, but firmed against the yen, before closing little changed. Traders said the currency was affected mainly by anxiety about inflation in West Germany and interest rates in Japan, rather

than the fundamentals of the slowing U.S. economy.

Traders in all financial markets were aware that the volatile orders data were exaggerated by special factors in the auto and aircraft industries, which helped make them the worst on record. The last comparable figure was a 9.2 percent drop in February 1982, during the last recession.

In comparable times, bond yields would start sliding fast on the expectation of weak interest rates. The price of the bellwether 30-year bond firmed almost half a point by the close, its yield dropping slightly from Monday's 8.49

percent, to 8.44 percent. Investment-grade corporate bond prices also gained.

But Robert DiClemente, who watches the Fed for Salomon Brothers, said he saw "no quick reversal" in long-term dollar interest rates, which seem stuck around 8.5 percent to hedge against rising trends in Japan and Europe.

There was also no hint of easing from Mr. Greenspan, who was testifying before Congress on fiscal problems.

Aside from transportation, numerous other soft spots were noticeable in the durable-goods figures.

See SLUMP, Page 12

## Aquino Arrests Enrile On Charge of Rebellion

By Sheila S. Coronel

New York Times Service

MANILA — Senator Juan Ponce Enrile, the former defense minister who helped bring President Corason C. Aquino to power, was arrested with six other people on Tuesday on charges of rebellion and murder in connection with the coup that nearly overthrew the government in December.

The opposition denounced the arrest as a bid to quash dissent, and military dissidents claimed the move was a prelude to martial law.

Mrs. Aquino was pleased with the filing of charges, her spokesman said. She also instructed the armed forces to be prepared for contingencies that may arise from Mr. Enrile's arrest.

Government prosecutors filed charges against the senator and the six others on charges of rebellion, murder and attempted murder. The judge who is trying the case said the charges were not bailable.

Mr. Enrile was also charged separately with harboring criminals, for supposedly meeting with rebel soldiers at his home on the first day of the mutiny. Those he is said to have met with included Gregorio Honasan, a former colonel who was one of the leaders of the attempted coup and who was one of the persons charged with Mr. Enrile.

Also charged are a retired general, a hotel owner and his wife, a town councilor and a former colonel who was elected governor of a province north of Manila.

Vice President Salvador Laurel denounced the arrests as a bid to stifle political opposition. Mr. Laurel broke with Mrs. Aquino in 1987 and later, with Mr. Enrile, organized the opposition Nacionalista Party.

A spokesman for military dissidents who launched the December coup attempt said the Philippines "should brace itself for the imminent declaration of martial law."

Mr. Enrile was the best-known figure charged so far in the failed coup, the sixth and most violent attempt to unseat Mrs. Aquino since she took office in the 1986 uprising that toppled President Ferdinand E. Marcos.

Mr. Honasan, who has been charged with leading an earlier attempt to topple Mrs. Aquino in August 1987, has been in hiding since he escaped from a prison ship in April 1988.

## Nicaraguan Election Aftermath: Now Comes the Hard Part Chamorro's Task Is to Take Control

By William Branigin

Washington Post Service

MANAGUA — After defeating the ruling Sandinista National Liberation Front, the National Opposition Union led by Violeta Barrios de Chamorro now faces the daunting task of remolding a society in which the losing party still controls the army, security forces, major labor unions and virtually every state institution.

Whether such a transition can be accomplished

### NEWS ANALYSIS

peacefully will depend to a large extent on the Sandinistas' willingness to cooperate with a new political leadership that represents everything they loathe.

As the magnitude of the opposition's victory and future challenges sank in Monday, Mrs. Chamorro's advisers presented a vision of a Nicaragua that they said would guarantee individual liberties, promote "national reconciliation" and be internationally "nonaligned."

They said, however, that the new government would need aid both from the Soviet Union, the Sandinistas' principal backers, and the United States.

Since coming to power 11 years ago after toppling Anastasio Somoza, the Sandinista Front has subsumed the armed forces, now called the Sandinista Popular Army, built the Interior Ministry into a

See DAUNTING, Page 3



Daniel Ortega Saavedra congratulating Violeta Barrios de Chamorro on her election victory.

## Sandinista Defeat May Shake Region

By Lindsey Gruson

New York Times Service

MANAGUA — The overwhelming defeat of the Sandinistas in the elections on Sunday could affect the political and military balance in much of Latin America, diplomats, military commanders and other authorities say.

In addition, the victory of Violeta Barrios de Chamorro promises to have a psychological and

U.S. legislators anticipate that a large aid program may be needed for Nicaragua. Page 3.

intellectual effect in the hemisphere, diplomats and scholars said.

"It will be the cause of considerable soul-searching and head-scratching in Latin America," said a diplomat with years of experience in that area. "It really has important consequences in the hemisphere and, certainly, in the region."

Mrs. Chamorro's victory not only crushed one of the hemisphere's most influential revolutionary governments, but it also served to repudiate the Sandinista's leftist ideology, Western analysts said.

They noted that Mrs. Chamorro, who heads a 14-party coalition of strikingly divergent and often conflicting views, owed her victory in large part to the rejection of President Daniel Ortega Saavedra and his decade-old movement.

So his defeat is also likely to be a striking setback for the hemisphere's other revolutionary movements, they said. Effluent after the victory of the

See REGION, Page 3

## Amid Rising Inflation in Hungary, Hopes Revert to Dreams

By Celestine Bohlen

New York Times Service

BUDAPEST — Inflation, symptomatic of a stricken Hungarian economy, is slowly eating away at the few pleasures that Lajos and Erzsébet Veress allow themselves and their two daughters.

Prices of all the basics — rent, gas, electricity, food, medicine, children's shoes, even school lunches — have gone up by 30 percent or more in recent months, meaning that once again meat or chicken is a luxury to be enjoyed on weekends, social gatherings are out of the question and hope of someday building a house has faded back into a dream.

As the country prepares for democracy, the Veresses hunker down in their two-room apartment on the sixth floor above an old Budapest courtyard.

His job at a subway construction company, and hers at a warehouse, together bring the family about 20,000 forints a month, \$308 at the official exchange rate. But that is before taxes — something new since 1988 — which now take 30 percent out of their pay. In a good month, Mrs. Veress said, the family can set aside about 2,000 forints in savings. But most of

the time, she said, "it is not even worth keeping a budget anymore."

As the March 25 elections approach, many Hungarian families are living on the edge, a state of mind that has given the campaign a peculiarly sullen quality.

While sociologists, economists and politicians talk about volatile social tensions, Mr. Veress, 35, says he

East European economies will get worse before they get better, the OECD says. Page 11.

thinks politics is bunk. "All they do is make promises," he said. "And those advertisements on television, it's like cabaret. I don't believe any of them."

In many respects, Hungarians are still better off than their neighbors in Central Europe.

The Veresses, for instance, have a 10-year-old

Romanian car and a video-cassette recorder they bought two years ago on their only trip to Austria.

But Mr. Veress said he could not help thinking that life was better in the 1970s, when János Kadar was leader of the country and the Communist Party. It is one of Hungary's paradoxes that many people who are most disillusioned about communism also feel tinges of nostalgia.

"I saw a kind of safety in Kadar," said Mr. Veress, who, until last year, was a member of the party. "The Kadar period was a good period for us."

He said he still felt closest to the Socialist Party, home of the old communist reform wing, but he is not prepared to put his faith in it.

"I believed in the party like it was God, and then it turned out to be something else," he said. "I want democracy, but this big disillusionment has made people skeptical."

The economy has been on a roller coaster for the last decade, and those who feel it most are Hungarians like the Veresses.

After a decade of more liberal economic policies — so-called goulash communism — Hungary by

1979 was beginning to face the consequences of its growing foreign debt; for the average family that soon meant the beginning of an ever-tightening squeeze.

The average monthly salary in Budapest is now 10,000 forints, which makes the Veress family, with two incomes, the statistical norm. But around them they can see the startling differences in wealth that even before the collapse of communism made Hungary like a Western country.

While the "new rich" live in villas, with a Mercedes parked in a separate garage, the number of poor people has been growing, squeezed by jumps in the cost of living.

In Hungary today, 75 percent of the population lives on money in bank accounts is held by a quarter of the population, according to Financial Research Ltd., a London-based firm.

Meanwhile, more than two million Hungarians — about a fifth of the country's 11 million — are on state pensioners — live below the "social minimum," currently 4,300 forints a person.

Inflation grew slowly in the 1980s, and the rise in

See HUNGARY, Page 2

Crossword Page 9.

Weather Page 2.

Dow Jones

The Dollar

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# Disputes Welcome Kaifu

## His New Cabinet Excludes Women

By David E. Sanger  
New York Times Service

TOKYO — Prime Minister Toshiki Kaifu was formally re-elected on Tuesday and was immediately plunged into bitter disputes over the formation of his cabinet and the ouster of the ruling party's most prominent woman from a major government post.

Since the Liberal Democratic Party overcame scandals to retain its 35-year hold on power by a surprisingly large margin last week, Mr. Kaifu has been struggling for control of the party.

Leaders of several party factions, who are hoping to regain power now that the election is over, have tried to undercut Mr. Kaifu. And they have been battling each other to place their members in cabinet posts.

When the membership of the new cabinet was announced, Mr. Kaifu appeared to have prevailed in his insistence on appointing what he called a "clean-politics cabinet."

He blocked cabinet posts for several politicians who were involved in the Recruit Co. scandal and for one who has been sentenced to two years in prison for accepting bribes in the Lockheed Corp. scandal 14 years ago.

With a meeting with President George Bush looming this weekend over trade and security tensions between Japan and the United States, Mr. Kaifu reappointed Finance Minister Ryutaro Hashimoto and Foreign Minister Taro Nakayama.

But Mr. Kaifu also forced out Mayumi Morioka, who in August became the first woman appointed to the post of chief cabinet secretary, the government's chief spokesman. She was replaced by Misoji Sakamoto, a longtime member of the parliament.

The prime minister also replaced the only other woman in the cabinet, Sumiko Takahara, an economist who was serving as director of the Economic Planning Agency.

Mrs. Morioka's appointment last year was part of a broad — and partly successful — effort to win back women who had defected to the Japan Socialist Party, protesting a new sales tax and the sex scandal that forced the resignation of former Prime Minister Sosuke Uno.

On Tuesday, Mrs. Morioka expressed anger that the Liberal Democratic Party's commitment to keep women in the power structure lasted only until the elections were over.

"I told Mr. Kaifu that it was essential that any cabinet, from now on, include women," she said. But the new cabinet has none.

In a meeting with Mr. Kaifu on Monday, Mrs. Morioka also protested that she should be treated "in a proper way" after the party used her as a counterpoint to Takako Doi, the leader of the Socialist Party and Japan's best-known woman politician.

"I knew that the reason that they appointed me was to attract the attention of women and to withdraw attention from Miss Doi," Mrs. Morioka said.

But after her appointment, senior party members said Mrs. Morioka was frozen out of many key decisions, and some criticized her abilities to resolve disputes between ministries and party factions — a main job of the chief cabinet secretary.

Now, Mrs. Morioka said that she "participated in most major issues," but that when she needed to reach the prime minister late at night, aides declined to put through her calls.

Mrs. Morioka has been an outspoken proponent of women's rights in Japan. And at times she had been openly critical of the Liberal Democratic leadership for being out of touch with young Japanese.

Though cabinet posts are politically important in Japan as factions within the Liberal Democratic Party battle for power, the cabinet ministers usually play a minor role in formulating and administering policy.



An inflatable craft ferrying villagers of Towyn, Wales, past submerged vehicles on Tuesday. The floodwaters were caused by torrential rainstorms and high tides.

## Death Toll at 169 in Series of European Storms

By Barry James  
International Herald Tribune

The fifth major storm this year continued to ravage Northern Europe on Tuesday, bringing the number of deaths directly attributable to the gales to at least 169 in just over a month.

Experts said the storms, spawned in mid-Atlantic depressions, were typical for the time of the year, but were tracking hundreds of miles farther south than usual.

The British Meteorological Office said, "There have been 10 comparable periods of destructive gales recorded over the past 38 years."

The center of the latest storm was a huge depression midway between Iceland and Norway.

The storm, which continued to rage across much of Europe on Tuesday, struck Ireland, Britain, northern France, Belgium, the Netherlands, West and East Germany, Denmark and Austria. It claimed at least 52 lives — 17 in Britain, 12 in West Germany, 10 in France, 5 in Belgium, 3 in

East Germany, 2 in Switzerland, and 1 each in Italy, the Netherlands and Ireland.

It caused heavy property damage and flooding, ripped up thousands of trees, disrupted shipping in the Channel and the Irish Sea, sent waves crashing over sea defenses, cut highways and railroads, plunged tens of thousands of homes in England into darkness and forced cancellation of carnival parades in West Germany.

Wind speeds of up to 120 miles an hour (190 kilometers an hour) were recorded in Belfast, the highest since record-keeping began.

The Netherlands declared a flood alert Tuesday, shutting flood barriers because of what officials said was the worst threat of flooding since 1953, when the sea broke through the dikes and killed nearly 2,000 people. The storm coincided with a high spring tide, causing damage to the dune system that protects much of the Dutch coastline from the sea.

The storm halted ferry traffic in the Danish archipelago and flooded low-lying areas on the west Jutland coast.

In Paris, firemen made an average of 250 emergency calls an hour, and the mayor's office urged Parisians to refrain from walking in parks because of the danger from falling trees and branches.

The French weather bureau said the storm, which hit Brittany and Normandy on Monday, later extended all the way down to the Mediterranean coast and into Corsica with winds up to 90 miles an hour. The bureau said high winds would continue through Thursday.

In the French Alps, high winds forced several ski resorts to suspend operation of ski lifts.

In Hamburg, the storm drove waves over a dike, flooding the harbor and forcing the evacuation of hundreds of East German immigrants from a floating dormitory.

But the water failed to breach the 22-foot (7-meter) dams that the city built after destructive floods in the early 1960s, and the main part of Hamburg was spared.

In north Wales, 2,000 people were evacuated when the sea opened a gap in a dike.

## West Berlin Mayor Criticizes Kohl

By Thomas L. Friedman  
New York Times Service

WASHINGTON — Mayor Walter Momper of West Berlin, in Washington to meet with President George Bush on Tuesday, has criticized Chancellor Helmut Kohl of West Germany for failing to state clearly that he and his government support the present boundary between Poland and Germany.

Mr. Kohl, after weekend talks at Camp David with Mr. Bush and despite some pressure from the administration, declined to guarantee that the border along the Oder and Neisse rivers would be permanent and that a reunited Germany would renounce any claims to prewar German territory now under Polish control.

Mr. Momper said, "First of all — and obviously the chancellor did not do this yesterday — the German government and the political powers on the Western side should guarantee the Polish border."

Mr. Kohl said he respected the concerns of neighboring countries and affirmed that he had no intention of linking German unification with any changes in the existing

borders, but said he was not in a position to make binding commitments about the German-Polish boundary.

That could only be done, he said, by a "freely elected all-German government and a freely elected all-German Parliament."

Mr. Kohl faces a closely contested national election in December.

He is reportedly concerned that some voters, particularly those whose families were expelled from the former German areas east of the Oder-Neisse line, might be attracted to the rightist nationalist Republican Party if he appears to be signing away these lands.

Mr. Bush and Secretary of State James A. Baker 3d probably do not believe that Mr. Kohl or most Germans are serious about recovering former territory and have apparently decided not to make a major public issue out of Mr. Kohl's ambiguity.

Administration officials say that for now it is much more important to avoid any public argument with the West Germans, which might provoke a nationalist backlash and diminish willingness to cooperate,

## REFUGE: West Germans Sour

(Continued from page 1)

The shift in attitudes toward East Germans has accompanied a growing awareness among West Germans that reunification will be very expensive. Many have become aware that monetary union and the restoration of East Germany's infrastructure may entail both reduced social benefits and increased taxes.

"West Germans are going through a painful learning process," said Detlev Albers, a professor of political science at Bremen University. "They see their own life changing. The resettlers are a way station in this debate, a symptom that we will have to cope with a redistribution of wealth from West to East. That is causing the explosion in taxes."

For now, the resistance to the resettlers has been largely indirect. But a few incidents have been reported — in Stuttgart, hoodlums burned down a temporary home for resettlers, and in Bremen, Kristin Lehner, head of a self-help group for East Germans, said East Germans are sometimes denounced as "G.D.R. pigs" in the streets.

In an election year, however, even simple grumbling can make an impact.

creasingly the dregs of their society — criminals, alcoholics, prostitutes, shirkers.

Outside the sports club in the suburb of Blumenthal, two of whose gyms have been taken over for the resettlers, Joachim Miers, a customs officer and part-time yoga teacher, sounded an increasingly common plaint.

"These people are no longer political refugees," he said. "They just want to make quick money. People here normally want to help others, but now they're complaining. The sanitary conditions in the gyms are appalling — there's alcohol, there have been fights, people can't do sports. I believe they should stop the resettlers altogether."

The East Germans are also increasingly perceived as people who have lost the habit of real work. A young woman out shopping with her two children told what she presented as a common story, of an unemployed resettler for whom her husband found a job at an auto assembly plant.

"He refused, saying he didn't like shift work and assembly lines," she said. "That's wrong if they start putting conditions like that. They should be happy to find work."

## HUNGARY: Dreams, Not Hopes

(Continued from page 1)

the standard of living soared. In 1987-88, the trends started to go in reverse.

In 1988, the official consumption index, which measures salaries, bonuses and social benefits, went from 103 percent of the 1980 level to 95.7 percent. In 1988 the consumer price index jumped 15.7 percent; last year it went up 17 percent.

To make ends meet, more people shifted into the private economy, working second, even third jobs, mostly in the service industry, in addition to their official positions in state-owned enterprises.

### Singapore Dealer Sentenced

The Associated Press

SINGAPORE — A court has sentenced to death Tan Boon Tat, 46, a gambling den operator after convicting him on charges of trafficking in \$1.61 million worth of heroin, press reports said Tuesday.

## Poland and Israel Renew Ties After 23-Year Break

The Associated Press

WARSAW — Poland and Israel resumed full diplomatic relations after a 23-year break on Tuesday with the signing of a protocol by Foreign Ministers Moshe Arens of Israel and Krzysztof Skubiszewski of Poland.

Poland became the third Warsaw Pact country to resume relations with Israel in the last six months. Poland, like the entire Soviet bloc except Romania, ended relations to protest the 1967 Middle East war.

Hungary restored relations in September, and Czechoslovakia followed suit on Feb. 9.

Poland has had low-level ties with Israel since 1987, and the new Solidarity-led government says it hopes the restoration of a formal embassy will lead to closer economic and cultural cooperation.

Mr. Arens said he hoped that Poland would support Israel's stance in the Middle East peace process. Poland has endorsed Palestinian rights to self-determination, and Mr. Skubiszewski held a meeting with Arab diplomats in January to assure continued support.

## France Backs Marketing Of Low-Cost Abortion Pill

New York Times Service

PARIS — The French government announced Tuesday that it would subsidize the cost of using an abortion pill known as RU 486 after 34,000 abortions were carried out free of charge with this method in the last 21 months.

Under an agreement between the Health Ministry and the pill's manufacturer, Groupe Roussel Uclaf, the cost of a drug-induced abortion in any of 793 authorized clinics was set at the equivalent of \$256, of which 80 percent will be reimbursed by the government.

When the pill was first authorized for use by the government in September 1988, protests by anti-abortion groups in Europe and the United States prompted Roussel to withdraw the drug. But the government ordered the company to resume distribution.

A spokeswoman for Roussel said that between April 1988 and September 1989, 20,000 sets of pills were distributed free of charge to select clinics where doctors provided detailed information on the results of their use. An additional 14,000 have been distributed without charge since September, she added.

The spokeswoman said the pill, which goes under the trade name of Mifegyne, would now for the first time be marketed, although it will still only be available in France. Roussel is 54.5 percent owned by Hoechst A.G. of West Germany and 36.25 percent by the French government.

Health experts believe that between 30 and 40 percent of abortions will in future be carried out with the RU 486 pill, which many women consider less traumatic than surgery.

## U.S. Denies Conferring With Iran on Hostages

By Ann Devroy  
Washington Post Service

WASHINGTON — Spokesmen for the White House and State Department, in deliberately narrow statements Tuesday, denied a report that high-level U.S. and Iranian officials had held secret talks in Geneva aimed at the release of U.S. hostages.

"We are not aware of the source of these stories or any talks that fit this description," the White House spokesman, Martin Fitzwater, said. But he declined to say "that nobody's talking," because, he said, "I know a lot of people are."

"I don't know who's talking to whom," he said.

The statements were prompted by the Lebanese newspaper Al Hayat, which reported that U.S.-Iranian contacts took place through third parties in Geneva meetings.

A London editor of the paper told The Associated Press that Sheikh Mohammed Hussein Fadlallah, a leading Shiite cleric in Lebanon, had revealed the discussions.

Some Western hostages are believed held by factions linked to Hezbollah, the militant Party of God whose spiritual leadership Sheikh Fadlallah denies. He was reported to have made his comments after a trip to Iran.

Mr. Fitzwater said, "There are no direct talks between the United States and Iran authorized by the president." But he said, "There are a lot of people around the world talking about the release of the hostages in Lebanon. People from other countries, people from other embassies, people on all levels, people we don't even find out about until after the fact."

At the State Department, Margaret D. Tutwiler, the official spokeswoman, said Tuesday of talks between U.S. and Iranian officials, "There are no meetings that I am personally aware of. And we have checked this morning."

## SOVIETS: New System Approved

(Continued from page 1)

critical factors in any debate in the Soviet legislature. Mr. Gorbachev's personal skill and command of the situation and the relative passivity of the majority of the Supreme Soviet.

When the debate was over, Mr. Gorbachev launched into his emotional speech, a performance that left many of his opponents stunned.

As deputies left the chamber, some were laughing, and others were red-faced with anger and shock.

"I could not believe what I was hearing," said Yuri Shcherbak, a deputy from the Ukraine.

Nikolai Engver, a deputy from the Urals, smiled ironically and said, "What happened? What happened is the same old story. Recently I met with a delegation from France and they asked me how our legislators decide how to vote. I told them that if Mikhail Sergeevich gives his opinion on an issue, then it's easy. Just about everybody simply does what he wants. I support Gorbachev generally, but I think today shows that his authority is great, but not just in the positive sense. He can be a bully."

Roy Medvedev, a historian and a legislator who is one of Mr. Gorbachev's strongest supporters, said he thought the bill "was a little rushed, that's true." But he added, "As it turned out, I felt it was a vote of confidence for Gorbachev and I voted for him."

## WORLD BRIEFS

### Noriega Trial Is Postponed 9 Months

MIAMI (LAT) — A federal judge, acknowledging the complexity of the case, has postponed for nine months the trial of Manuel Antonio Noriega, the Panamanian military leader deposed in December by U.S. troops. The trial had been scheduled to begin March 5.

Mr. Noriega's trial, on drug and money-laundering charges, will not begin until late November at the earliest and possibly not until next January, a U.S. District Court judge, William M. Howard, said. "Our principal objective is to have everybody ready for trial in a fair manner."

But a defense attorney, David Lewis, complained that even late November was "not feasible, not possible" for trial on 11 counts of international drug-smuggling. The defense must still obtain and study thousands of secret U.S. documents that may relate to Mr. Noriega's past involvement as an informant for the Central Intelligence Agency, the Drug Enforcement Administration and perhaps other intelligence agencies.

### U.S. Aide Likens Castro to Ceausescu

GENEVA (Reuters) — A U.S. official likened Fidel Castro on Tuesday to the deposed Romanian leader Nicolae Ceausescu and urged the United Nations to investigate the Cuban leader's human-rights record.

A U.S. envoy to the United Nations Human Rights Commission, Armando Valladares, said that without international attention on Mr. Castro, the situation was "likely to worsen."

"What we have here is the Ceausescu of the Caribbean," he told the commission. Mr. Valladares said the Cuban leader was "responding to changes in Eastern Europe by cracking down at home." His delegation submitted a resolution expressing grave concern at reports that the Cuban government had arrested, harassed or punished in other ways 52 people who had testified to a UN human-rights committee, which visited Cuba in September 1988.

### Havel, in Moscow, Lands Sakharov

MOSCOW (AP) — President Václav Havel of Czechoslovakia paid homage Tuesday to Andrei D. Sakharov, the human-rights campaigner who died in December and who was one of the few Soviet citizens who openly welcomed the 1988 Prague Spring movement for change and denounced the Soviet-led invasion of Czechoslovakia.

Mr. Havel, Czechoslovakia's first non-Communist leader in 41 years, also met with Soviet legislators and suggested an exchange of parliamentary delegations, with the Czechoslovak side led by Alexander Dubcek, the former Communist Party chief who pushed the 1968 changes.

Mr. Dubcek's last two official visits to Moscow were humiliating. In the first, days after the Soviet-led Warsaw Pact invasion, he was under arrest. In the second, two months later, he signed an agreement under duress allowing Soviet troops to stay on Czechoslovak soil indefinitely and promising the country would return to Soviet-style, hard-line rule.

### Spain Package Bomb Wounds Judge

MADRID (AP) — A package bomb severely wounded a prominent Spanish judge when he opened it in his home, the Interior Ministry said Tuesday.

No one immediately took responsibility for the bomb, which the police said severed Judge Fernando de Matos Lage's hands and left shrapnel in his stomach. He was listed in extremely serious condition after undergoing surgery.

The judge, 70, has been president of the Audiencia Nacional, the high court where all terrorism cases are tried, since 1986. The explosion occurred less than a week after the government indicated it would respond favorably if Basque separatists would halt attacks for six months.

### Israeli Troops Clash With Students

RAMALLAH, Israel-Occupied West Bank (Reuters) — Palestinian students protesting Israel's two-year-old closure of their universities held sit-ins in the occupied West Bank on Tuesday, and one of the rallies ended in clashes with troops.

In Ramallah, 12 kilometers (eight miles) north of Jerusalem, troops opened fire with tear gas on stone-throwing high school students and arrested some 60 Palestinian youths.

The demonstrations were held ahead of the automatic renewal of monthly closure orders on the six universities in the West Bank. Israel, saying the campuses were centers of unrest, closed them after the Palestinian uprising erupted in December 1987.

### Officials Hopeful at Cambodia Talks

JAKARTA (NYT) — The first full day of new talks on a Cambodia settlement ended Tuesday with some participants optimistic that the Khmer Rouge will sign a version of an Indonesian-French draft communiqué calling for United Nations involvement in the administration of Cambodia before new elections.

Other factions agree on that principle. If the Khmer Rouge also agree, as expected, on Wednesday when these talks are due to end, it will allow detailed efforts to begin in revived working groups on the nature of the UN role.

### Exxon May Be Indicted on Oil Spill

WASHINGTON (AP) — A U.S. grand jury in Alaska is considering a five-count criminal indictment against Exxon Corp. stemming from the 1989 oil spill in Prince William Sound, a government official said Tuesday. An announcement was scheduled, but the information could not be confirmed.

The official said at one point that an indictment had already been handed down, but later said he had spoken prematurely.

David Runkel, spokesman for Attorney General Dick Thornburgh, said the grand jury was still meeting and had not returned an indictment. The grand jury was meeting nearly a year after the Exxon Valdez released 11 million gallons of oil in Prince William Sound, causing widespread environmental damage.

### Correction

A Reuters dispatch in the Monday editions incorrectly described a transaction by Honeywell Inc. By March, Honeywell will have reduced to 24 percent its 50 percent stake in the Yamastake-Honeywell joint venture.

## TRAVEL UPDATE

European farmers blocked border crossings between West Germany and the Netherlands on Tuesday. The farmers were angered by falling crop prices.

Cambodian airport workers continued a strike on Tuesday, stopping all flights in and out of the country, and road traffic was also paralyzed by a stoppage of gasoline tanker drivers.

French farmers will turn the Champs-Élysées into a gigantic field of wheat on June 24, when they will hold a harvest in honor of French agriculture. The 1.8-hectare (4.5-acre) field will stretch halfway down the avenue, starting at the Arc de Triomphe.

## WEATHER

EUROPE				ASIA			
	HIGH	LOW	CHANCE		HIGH	LOW	CHANCE
Amsterdam	4	4	3	Bangkok	30	24	0
Berlin	12	4	3	Beijing	28	18	0
Bombay	28	24	0	Bombay	28	18	0
Buenos Aires	12	4	3	Bombay	28	18	0
Calcutta	28	24	0	Bombay	28	18	0
Cairo	28	24	0	Bombay	28	18	0
Cardiff	12	4	3	Bombay	28	18	0
Chennai	28	24	0	Bombay	28	18	0
Copenhagen	12	4	3	Bombay	28	18	0
Dallas	12	4	3	Bombay	28	18	0
Edinburgh	12	4	3	Bombay	28	18	0
Frankfurt	12	4	3	Bombay	28	18	0
Geneva	12	4	3	Bombay	28	18	0
Helsinki	12	4	3	Bombay	28	18	0
London	12	4	3	Bombay	28	18	0
Los Angeles	12	4	3	Bombay	28	18	0
Madrid	12	4	3	Bombay	28	18	0
Moscow	12	4	3	Bombay	28	18	0
Munich	12	4	3	Bombay	28	18	0
Nairobi	12	4	3	Bombay	28	18	0
Paris	12	4	3	Bombay	28	18	0
Prague	12	4	3	Bombay	28	18	0
Rangoon	12	4	3	Bombay	28	18	0
Rome	12	4	3	Bombay	28	18	0
Stuttgart	12	4	3	Bombay	28	18	0
Tokyo	12	4	3	Bombay	28	18	0
Warsaw	12	4	3	Bombay	28	18	0
Winnipeg	12	4	3	Bombay	28	18	0
Zurich	12	4	3	Bombay	28	18	0

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Published With The New York Times and The Washington Post

Edited in Paris, Tuesday, June 10, 1989 Printed in New York

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## U.S. to Lift Nicaragua Sanctions and Increase Aid



Violeta Barrios de Chamorro, winner of Nicaragua's presidential election, being cheered as she left her Managua home on Tuesday.

## U.S. Sends Advice to Contras: 'Cool It'

WASHINGTON — U.S. officials said Tuesday that the Bush administration, hoping to boost reconciliation in Nicaragua after the elections, was telling the contras to "cool it" to avoid provoking a hostile Sandinista response.

Shortly after the victory of Violeta Barrios de Chamorro was confirmed, the State Department asked Creso S. Arce, the U.S. ambassador to Honduras, to go to the contras camps in southern Honduras to make clear the U.S. view on the need for restraint, officials said.

The concern is that the bitterness generated by almost 10 years of

warfare, leading to an estimated 30,000 dead, could lead to excesses by revenge-seeking contras.

"We're telling the contras to cool it," an official said. "The name of the game is a smooth nonviolent transition."

In Tegucigalpa, the Honduran capital, on Tuesday, President Rafael Leonardo Callejas of Honduras said that the thousands of U.S.-supported Contra rebels based near the Nicaraguan border must leave Honduras as soon as possible.

"I don't want to force circumstances in Nicaragua," he said at a news conference, "but these rebels should not continue to stay in our territory."

Mr. Callejas indicated there was

no point in the contras continuing a fighting force against the Sandinistas. He said there were now "better democratic guarantees in Nicaragua for the quick repatriation of those who have taken up arms."

Honduran officials estimated there were about 10,000 contras and some 42,000 dependents living in makeshift base camps in southern Honduras, near the Nicaraguan border.

Current and former leaders of the Nicaraguan contras expressed jubilation at the victory of Mrs. Chamorro. They said the need to continue "armed conflict" no longer existed.

But contra leaders and U.S. officials said they did not expect an immediate disbanding and dismantling of the estimated 15,000 rebel troops.

Contra leaders said the troops would remain intact until Mrs. Chamorro takes office, on April 25, and until direct negotiations could be conducted with her government about repatriation or relocation.

Authorization for nearly \$50 million in U.S. aid to the contras was approved Wednesday, but an administration official said the U.S. Agency for International Development had received approval to continue to provide assistance through April.

## Soviets, Hailing Vote, to Continue Aid

MOSCOW — The Soviet Union said Tuesday that it recognized the legitimacy of the election results in Nicaragua and that it was willing to provide economic, and even military, aid to the new government.

A Foreign Ministry official, Ion Bortsiu, said Moscow was ready to work with the victorious U.S.-backed candidate, Violeta Barrios de Chamorro, despite its longtime support for the Sandinistas.

"The Soviet Union is prepared to meet its obligations if Nicaragua follows suit," said Mr. Bortsiu, the ministry's deputy chief for Latin America.

He said the Nicaraguans "voted for peace, freedom, democracy, national reconciliation and consent and the country's economic revival and social progress."

Moscow sent Managua military aid after the Sandinista National Liberation Front's rise to power a decade ago, according to the U.S. State.

The Soviet aid to the Sandinistas and the U.S. support of the rebels, known as contras, was one of the sorest points of conflict in superpower relations.

Moscow said it stopped sending military aid to Nicaragua in 1988, but Mr. Bortsiu said it was still sending more than \$333 million in goods as well as 25,000 tons of grain and rice without charge.

As for military aid to the Chamorro government, Mr. Bortsiu said, "We are willing to discuss the question of cooperation in the military field with the new government if the necessity arises."

—DAVID REMINICK

■ **Salvador Rebels Unhappy**

El Salvador's leftist guerrilla leaders deplored the electoral overthrow of the Sandinistas on Tuesday and vowed to continue fighting to achieve "genuine democracy" in their country, The Associated Press reported from San Salvador.

"We certainly deplore the adverse result obtained in these elections by the Sandinista National Liberation Front," the guerrillas of the Farabundo Martí Liberation Front said.

The guerrillas also vowed that they would redouble their struggle "to conquer an authentic democracy in El Salvador."

■ **Cuba Sees New Struggle**

The Cuban party newspaper Granma said Tuesday that the Sandinista revolution was now entering "a new stage of struggle," wire services reported from Havana.

"There is no doubt that it is a great setback but it doesn't mean political bankruptcy," Granma said in an editorial on the elections. "The Nicaraguan revolution has passed through a tough test and is entering a new stage of struggle."

Cuba has been a close ally of the Sandinistas since the 1979 revolution.

## DAUNTING: Chamorro's Task REGION: Aftershocks Expected

(Continued from page 1)

feared secret police force and extended its reach into all facets of national life.

The Sandinista Front thus has the power to destabilize a new government that is likely to be weak on organization and internally fractious. The 14-party National Opposition Union, which includes everything from Communists to conservatives, has attracted several former rebel leaders to its ranks.

Sandinista officials said their Front could make Nicaragua unmanageable if they so desire.

"The cooperation of the Sandinista Front is indispensable to govern this country," said Dora María Téllez Argüello, a former guerrilla commander who serves as health minister in the government of President Daniel Ortega Saavedra. She made the comment after a nationally broadcast speech in which Mr. Ortega conceded defeat.

Before the election, Alejandro Bendaña, the Foreign Ministry secretary-general, warned that no Nicaraguan government could function without Sandinista cooperation.

"This country is ungovernable" without the Front, he said. "There can be no stability in this country without" the Front, no democracy without it.

Mrs. Chamorro, Vice President-elect Virgilio Godoy and members of a new legislature, municipal councils and two Atlantic coast regional councils are to take office on April 24 for six-year terms.

Mrs. Chamorro's immediate task will be to tamp down inflamed passions that could lead to violence, especially in the countryside. There, eight years of war between the Sandinistas and the U.S.-supported rebels, known as contras, have created a climate ripe for vengeance.

Mrs. Chamorro's advisers said ranks in the 70,000-member Sandinista Army, by far the largest in Central America, would be respected. But, they added, the military will be removed from their overall control and gradually be transformed from a party army into a "national army."

In addition, the opposition program calls for the army to be reduced considerably in size and for the highly unpopular draft to be abolished.

Alfredo César, a former contra political director who now serves as a top adviser to Mrs. Chamorro,

(Continued from page 1)

Sandinistas a decade ago, many had looked to them for guidance.

"The election shows that the romanticism of violent revolution has long passed," a Western diplomat said. "The ideological fervor isn't stirring the people the same way any more. And Latin leaders are trying to forget revolutions and concentrate on the bread and butter issues and hungry stomachs."

In Central America, the Sandinista defeat anchors the ideological balance of power on the right. That promises to draw a sharp political and military blow to leftist guerrillas in El Salvador and Guatemala.

Military commanders in El Salvador and U.S. diplomats there said they thought the Sandinista defeat would cripple the guerrillas of the Farabundo Martí National Liberation Front, one of the area's strongest guerrilla armies.

They can't survive without the Sandinistas, Colonel René Emilio Ponce, the chief of staff of the Salvadoran armed force, said in a recent interview.

In return for critical help during the Sandinista revolution, Nicaragua has for years provided important political and military aid to the Salvadoran guerrillas.

Among other things, this country has been an important staging area and logistics base. It is home for most senior guerrilla commanders and, in the past at least, has provided some of the guerrillas' arms.

Mrs. Chamorro has not publicly laid out how her government will deal with the Salvadoran guerrillas. But the Bush administration has conditioned the granting of vitally needed aid on ending Nicaraguan support for the rebels.

The Chamorro victory is seen by diplomats as a vindication of President Oscar Arias Sánchez of Costa Rica and his Central American peace plan. The plan appears to have achieved by democratic means what years of U.S. military and economic pressure could not.

Even when many of his advisers were convinced that the Sandinistas would win by a landslide, Mr. Arias remained steadfast in his conviction that the election would bring radical change to this impoverished and war-racked country.

"If Ortega wins I'm going to have to go back to school and relearn everything I know about voter behavior," Mr. Arias said last year. He was the first head of state to call to congratulate the victor.

But perhaps the most obvious result is the further isolation of President Fidel Castro of Cuba, an ardent supporter of the Sandinista revolution and of Mr. Ortega.

Once the ideological beacon for leftists throughout Latin America, his stubborn rule is increasingly viewed by Latin Americans as a vestige of a failed era.

The Cuban leader now is the only major leftist leader remaining in the hemisphere. But his international pillars of political and commercial support are crumbling.

Still, the first direct fallout from the election is likely to be felt in Central America.

The Sandinistas' defeat removes the *raison d'être* of the Nicaraguan rebels, the 11,000-man insurgent army that started eight years ago as a proxy for the Reagan administration in its efforts to overthrow Mr. Ortega.

Provided that the Sandinistas agree to transfer political and military power, Mrs. Chamorro's victory should lead to the quick disbanding of the insurgent force and an end to the nagging, fraternal conflict, diplomats said.

On El Salvador, the president-elect's supporters and many Western diplomats in the region presume she will quickly move to completely regional peace accords by stopping any arms shipments and preventing Nicaragua from being used as a base by the Salvadoran guerrillas.

"With Chamorro's victory, time is no longer on the guerrillas' side," a Western diplomat stationed in San Salvador said. "They're going to have to deal fast and will be dealing from a weaker position."

The rebels have acknowledged that losing their Nicaraguan safe haven would be a severe blow. But in the short run it is unlikely to be fatal.

While it would certainly complicate logistics operations, even the army has acknowledged that the guerrillas have stockpiled enough arms in El Salvador to continue offensive operations without resupply for almost a year.

In addition, the rebels have a committed base of support within El Salvador. They are a de facto government in a large part of the country and retain a nationwide network of civilian sympathizers.

"It remains to be seen if it's a military setback," said David Holliday, a specialist on El Salvador in Washington.

## Supreme Court Gives Prisons Sweeping Powers on Drugs

WASHINGTON — The Supreme Court gave prison officials sweeping powers on Tuesday to force inmates to take anti-psychotic drugs.

The 6-to-3 ruling in a Washington state case was a victory for prison officials and doctors who say they, and not judges, should decide when such drugs are administered.

The justices said prisoners were not entitled to court hearings before they must take the medication.

"Given the requirements of the prison environment," Justice Anthony M. Kennedy wrote for the court, the state may "treat a prison inmate who has a serious mental illness with anti-psychotic drugs against his will if the inmate is dangerous to himself or others and the treatment is in the inmate's medical interest."

The decision as to whether to use the drugs in such circumstances is best left to prison officials and psychiatrists, not judges, he said.

He was joined by Chief Justice William H. Rehnquist and Justices Byron R. White, Harry A. Blackmun, Sandra Day O'Connor and Antonin Scalia.

Justices John Paul Stevens, William J. Brennan and Thurgood Marshall dissented.

Justice Stevens, writing for the dissenters, said the court mistakenly "has concluded that a mock trial before an institutionally biased tribunal constitutes due process of law."

"A competent individual's right to refuse psychotropic medication is an aspect of liberty requiring the highest order of protection," he wrote.

The U.S. court overturned a Washington State Supreme Court ruling in 1988 that a convicted robber, Walter Harper, diagnosed as schizophrenic, must be given a court hearing before drugs were administered to him.

The state court also said prison officials must show a compelling state interest to give him the medication and show that the drugs will be effective.

## 23% of American Black Men 20 to 29 Under Penal Authority, Study Finds

By Bill McAllister

WASHINGTON — Nearly one in four young black men in the United States is behind bars or on parole or probation, according to a report by an advocacy group.

Although many government officials have voiced alarm at the disproportionate number of young black men in prison, the study by the Sentencing Project, a Washington-based group that urges alternatives to prison sentences, was the first to offer a projection of the total number of young blacks to be under penal supervision.

There was no other confirmation of the group's statistics.

Project researchers estimated the total by devising a projection of the number on probation and parole and combining that with estimates of black men aged 20 to 29 in prison and jail, a figure that has been available. The group said its estimate, 609,690, surpassed the number of black men enrolled in higher education in 1986, 436,000.

The project said that means that 23 percent of black men 20 to 29 were subject to the criminal justice system, a rate that compared with 1 in 16 white men of the same age group and 1 in 10 Hispanics.

"We now risk the possibility of writing off an entire generation of black men from leading productive lives," said Marc Maurer, author of

the study and an assistant director of the Sentencing Project. The group is funded by the Public Welfare Foundation of Washington and the Edna McConnell Clark Foundation.

Mr. Maurer called his report's estimates "close approximations" and that he could not cite a "margin of error" for his population projections. The margin of error is a standard statistical measurement that is used to determine how accurate such findings may be.

Joseph M. Bessette, the acting director of the Justice Department's bureau of justice statistics, gave a qualified endorsement to the finding. "It looks correct to us," he said, "if you are willing to make one critical assumption."

The assumption is that the same percentage of black men in the 20s are on probation and parole as are in U.S. jails and prisons. While precise statistics are maintained for jail and prison inmates, Mr. Bessette said that no organization keeps by-age statistics on people on parole — those released after completing part of a jail or prison sentence — and people on probation, who are released without serving time behind bars.

Mr. Bessette called the assumptions "reasonable," and said the overall finding seemed to parallel the bureau's studies.

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## Henry Fairlie, 66, Political Writer And Editor, Dies

Washington Post Service

WASHINGTON — Henry Fairlie, 66, a London-born writer who was a contributing editor of the New Republic magazine and who wrote articles and columns for newspapers in two nations, died Sunday in Washington after a stroke and heart attack.

In the early and mid-1950s, Mr. Fairlie was a feature writer for the Observer in London and then an editorial writer with The Times of London.

Since 1954, he had been a freelance writer, contributing articles to The New York Times, Harper's and the Atlantic Monthly.

He also was the author of books on politics and current affairs, such as "The Kennedy Promise," "The Spoiled Child of the Western World" and "The Seven Deadly Sins Today."

A critic said Mr. Fairlie could write a piece that was funny, yet convey the idea that politics was both noble and serious. He had a sense of history and was not ashamed to let others know he had read many books.

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  - A complete set of bidding documents may be purchased by any interested eligible bidder on submission of a written application to the above and upon payment of non-refundable fee of two hundred United States Dollars (USD200.00) or its equivalent in a freely convertible currency.
  - All bids must be accompanied by a bid bond or Bank guarantee in United States Dollars (USD) or its equivalent in a freely convertible currency of Ten Percentum (10%) of the bid amount and must be delivered to the Office, National Investment Bank, Accra on or before Tuesday, 17th April 1990, by 09:00 hrs. (9 a.m. local time).





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# Herald Tribune

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## Democracy Wins Again

### A Fresh Beginning

Violeta Barrios de Chamorro's remarkable victory in Nicaragua is far from complete. Her Sandinista opponents are still entrenched in power. Her own supporters are deeply divided. Her country's economy is a mess. She will need generous help, especially from Washington.

Even so, the good news from Nicaragua deserves to be savored while its multiple surprises are fresh. The upset is a devastating rebuke to Sandinistas who misjudged popular sentiment and the appeal of a principled challenger. But if President Daniel Ortega guessed wrong about the outcome, so did his detractors who claimed that the Sandinistas were incapable of conducting a truly free election.

In a statement that struck just the right note, President George Bush congratulated Mrs. Chamorro and graciously commended Mr. Ortega for his fairness. "Given a clear mandate for peace and democracy," he added, "there is no reason at any further military activity from any quarter."

Mrs. Chamorro's convincing victory is another boon for Mr. Bush in a time of startling democratic surprises. It follows the collapse of communism in Eastern Europe, deepens the isolation of Fidel Castro in Cuba and diminishes the threat from a Marxist insurgency in El Salvador. And it enables the Bush administration to claim victory for its Nicaragua policy while ending a decade of divisive and obsessive, and for contra rebels.

Much now depends on how skillfully Mrs. Chamorro deals with the unhappy losers as well as the winners. Although defeated, the Sandinistas still won 45 percent of the vote. They remain the largest party, and will con-

### Cross Your Fingers

A long decade after the old regime was banished in Nicaragua, a new democratic order seems to be coming. This is the marvelous prospect opened by elections in which the Sandinistas, spurred by their neighbors in Latin America, their sponsors in Moscow, the example of Eastern Europe and their own pride, formally put their power up to popular bid. They used their advantage, excluding exiles from voting, for instance, while including soldiers, monopolizing the airwaves and slowing the opposition at every turn. Given the privacy of the voting booth and the protection of international monitors, the people responded with a heavy vote for the valiant Violeta Barrios de Chamorro. War weariness, despair over an economy crippled by mismanagement and embargo, and a palpable striving for freedom overwhelmed the Sandinistas' appeal to Nicaraguan nationalism and the social benefits of the revolution.

Since an authoritarian party led by 20-year revolutionaries still directs the state's instruments of force and social control, it is necessary to ask whether it is the shell or the substance of power that now will pass. Although Nicaragua is far from the only Latin country to have difficulty fitting the pieces of army and state, extra vigilance is required. No less necessary, however, is openness to

time to control the bureaucracy, the police and the army during a treacherous transition. International observers will remain in Nicaragua until a new government is inaugurated, which provides some assurance against betrayal and backlash.

Mrs. Chamorro must be equally adroit with her triumphant but fractious supporters. Her 14-party coalition is bound together only by a shared hostility to the Sandinistas. She offered no alternative vision or specific program. On her far right, those deprived of their privileges will clamor for a restoration of the old oligarchical system.

But Mrs. Chamorro has many strengths. She was an early supporter of the revolution, and indeed personified its promise. It was the murder in 1978 of her husband, Pedro Joaquín Chamorro, editor of the newspaper *La Prensa*, that provided the spark for the mass uprising against the Somoza dynasty. She broke with the Sandinistas, and quit the original ruling junta, when their new tyranny supplanted the old.

She will clearly need help from President Bush and the U.S. Congress. Mr. Bush has said the right words. Now he needs to play his part by acting quickly to lift sanctions and moving finally to disband the contras, as provided in the regional peace plan that opened the way to Nicaragua's election.

Success in Managua will strengthen democracy elsewhere in Central America, fulfilling the hopes of its peacemakers, most especially President Oscar Arias Sánchez of Costa Rica. Whether U.S. pressure and the contra war hastened or delayed the wonderful breakthrough is debatable. No matter, democracy was the winner on Sunday, and that cries out for celebration. It also provides the moment for a fresh beginning.

—THE NEW YORK TIMES.

Daniel Ortega's pledge to respect the people's choice. If it seems unlikely that dedicated Marxists could so easily change their ways, then keep in mind that the path from revolutionary to, if not statesman, then politician is becoming pretty well trod.

Assuming that things go well, a brisk debate is now likely on the question of "who won Nicaragua." Could the participation of Soviets and Cubans on one side and Americans on the other have been headed off, or made to produce an earlier, less costly result? Was supporting or shelving the contras more important in turning the warring parties to negotiations and elections? However the argument unfolds, it should not fail to credit Central Americans, especially President Oscar Arias Sánchez of Costa Rica, whose tenacious vision of simultaneous peace and democracy is apparently being realized in Nicaragua—and is becoming more conceivable in El Salvador, where just three months ago Managua fueled a huge "final offensive."

The Bush administration inherited a hostile Ortega, a beached contra force and a passionately divided Congress. It created a policy in support of a vote, and drew in both Congress and the Kremlin to support it. The result was the political space in which — cross your fingers — Sunday's miracle took place.

—THE WASHINGTON POST.

## Democracies in Peril

As Nicaragua demonstrates, a great tide is running in favor of elected government; country after country is throwing off repressive rule. But elections are only the beginning of the process of creating strong and capable democracies. Success, unfortunately, is not automatic. Even as Central America continues the process of shedding autocracies, in South America two of the new democracies — with 175 million people between them — are now sliding into deep trouble.

Argentina returned to elected government in 1983, when a corrupt and bloody-handed military junta collapsed. Brazil followed in 1985. The two countries have much in common — great potential wealth, great actual poverty, and inflation rates now in the range of 75 percent a month. Inflation acquires that kind of momentum only in societies divided against themselves in ways that politics has been unable to reconcile.

The central political fact in both Brazil and Argentina is that enormous wealth and economic power have become concentrated in the hands of a very few people. Brazil's president-elect, Fernando Collor de Mello, estimated recently that 70 percent of the wealth is held by 1 percent of the population. "This is our great challenge — the distribution of income," he said after his election.

This extreme inequality explains the continuing vitality of Marxism in some quarters

in South America in a time when it has lost all plausibility and is being abandoned by lifelong Communists elsewhere. It is probably correct to say that an income distribution as grossly unbalanced as Brazil's or Argentina's is not consistent with stable and healthy democracy. Mr. Collor was the candidate of the center-right. Brazil is now drifting, waiting for his inauguration next month.

Argentina is in a far worse state, and once again, sadly, there are clouds of rumors and whispers of coups to remove President Carlos Menem, the Peronist — that is to say, populist — who was elected only last year. At the end of last year the Menem government seized billions of dollars' worth of private bank deposits and arbitrarily converted them into 10-year bonds. It did not stop the inflation, but it earned the government a lot of enemies among the plundered middle classes, now more eager than ever to get their money out of Argentina. The standard of living is falling fast.

There are already military figures strutting about and suggesting that what Argentina needs is a stronger hand. The United States and Argentina's other friends abroad need to make it clear that a military coup would render Argentina an international pariah and outcast in this time of worldwide triumph for democracy.

—THE WASHINGTON POST.

## Other Comment

### A Challenge for Capitalism

With competition [from communism] in retreat today, the danger is that ideologies of unfettered capitalism will overlook social responsibilities. The danger is acute in Asia, where inequalities of income and opportunity remain wide despite dramatic gains in prosperity overall. The way in which one half of Korea has left the other in the dust proves that capitalism is a far wiser tool than redistribution of poverty. Asian business and industry have to recognize that they need to address problems voluntarily. If capitalism is truly to triumph, it will have

to fulfill those promises on which communism failed to deliver.

—Asiaweek (Hong Kong).

### Good News for Latin America

The startlingly unexpected result of the Nicaraguan election is a victory for democracy in the broader sense, and a reverse for political pundits and opinion pollsters as well as the Sandinistas. It was above all a vote of no confidence in the Sandinistas' management of the economy. The result is a heartening omen for Latin America.

—The Independent (London).

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International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France. Tel.: (1) 46.37.93.00. Telex: Advertising, 613995; Distribution, 612718; Production, 630698.

Directeur de la publication: Richard D. Simmons

Editor for Asia: Michael Richardson, 5 Canterbury Rd., Singapore 0511. Tel. 472-7768. Telex RS36928. Mng. Dir. Asia, Rolf D. Krompholtz, 50 Gloucester Rd., Hong Kong. Tel. 8610616. Telex 61170. Managing Dir. U.K.: Robin MacKinnon, 60 Long Acre, London WC2E 2LP. Tel. 836-4922. Telex 262029. Gen. Mgr. W. Germany: W. Lauerbach, Friedrichstr. 15, 1000 Berlin 10. Tel. (030) 730755. Telex 410721. Pres. U.S.: Michael Cowley, 850 Third Ave., New York, N.Y. 10022. Tel. (212) 732-3800. Telex 427175. S.A. on capital of 1,200,000 F. RCS Nanterre B732021126. Corrigendum Paritaire No. 61337. © 1990, International Herald Tribune. All rights reserved. ISSN: 0294-8052.

## OPINION

## Germany: This Time It's Going to Work

By Elizabeth Pond

BONN — The worries are wrong. The third rise of Germany in this century is heading for a far happier ending than its predecessors of 1914 and 1939. The reasons are the democratic maturity of the Germans, the Soviet loss of will to empire — and the determination by the Germans and everybody else to avoid the mistakes of the past.

West and East Germany will be reunited, possibly before the end of the year, in accord with the wish of the hundreds of thousands of

**It is a new era, in which stability means adapting to virtually autonomous developments and turning their force to constructive rather than destructive uses.**

East German demonstrators. That united Germany will be part of the Western community. West European integration will be accelerated, not retarded — if France plays the game right. And the United States will be able to reduce its military commitments and costs in Europe.

In the best case, Mikhail Gorbachev can be forced by events into completing the shift of his "new thinking" in foreign policy away from a zero-sum fixation on military power to embrace the more cooperative international system of Western industrialized democracies — and reap substantial economic aid from Bonn.

In the worst case, a Russian nationalist backlash could depose Mr. Gorbachev for losing the Soviet empire and its prize of East Germany.

The whole process is delicate. It depends on everyone riding the whirlwind without falling.

It is a new era, in which stability no longer means preserving the status quo but rather adapting to the impetus of virtually autonomous developments and turning their force to constructive rather than destructive uses.

President George Bush has been well placed to respond to the political revolution in Central Europe ever since he decided last May to treat Bonn as America's most important European partner and to endorse West European integration without reservation. Washington both trusts and mistrusts the Germans enough to have become actively engaged two weeks ago — finally — in nudging Moscow and London to accept the inevitable.

It believes that Germans have earned unity, the West Germans by practicing democracy successfully for 40 years, and the East Germans by carrying out the first successful revolution in German history, peacefully, for democracy.

And negatively, of course, the Americans calculate that if West Germany's allies stood in the way of unification, they could become the target of a "stab in the back" myth like the one that aided Hitler's rise after German defeat in World War I.

The West Germans were the first to realize that the greatest instability at this stage would be any further collapse of authority in the German Democratic Republic. To give the demoralized East Germans some hope in the future and prevent a mass exodus to the West, they believe they must now accelerate the drive toward unification.

Bonn is rushing to create a monetary and economic union immediately after the March 18 East German elections. It trusts that this fast accomplishment will naturally produce political union thereafter — and with the help of Bonn's allies at the forthcoming conference of the two superpowers.

The two Germans and Britain and France — ensure linkage to NATO for the new Germany.

The new quasi-democratic governments in Hungary, Czechoslovakia and even, more ambivalently, Poland have signaled that they stand to gain rather than lose by having a united, strong Germany anchored firmly to NATO.

The Soviet world view of the past 70 years is in shambles. Policy confusion is manifest in contradictory statements. The Russians have yet to sort out whether they think it worse to let East Germany slip away into the NATO orbit or to have a neutral Germany as a loose cannon in Europe.

Foreign Minister Hans-Dietrich Genscher is trying to ease the pain of Soviet acceptance of German membership in NATO by proposing further radical disarmament in Europe, as well as future Western military restraint on what is now East German territory.

The Italians see where events are leading and gave their full blessing to German unification this month. Prime Minister Margaret Thatcher will soon be compelled to yield to reality and cast Britain's lot with Europe, or else forfeit influence over that Europe for years to come.

President François Mitterrand, after flitting briefly with Mr. Gorbachev in December, recognizes that the only way to constrain German power is to embrace and lead it. The French still do not fully understand the need to campaign for continued American presence in Europe if they want this presence to offset growing German power. But here, too, the desire not to forfeit French influence exacts pressure for a policy promoting both German and European unification.

Or at least this is what Mr. Kohl is gambling on.

Elizabeth Pond is writing a book on the new Germany for the Twentieth Century Fund. She contributed this comment to *The Washington Post*.

## What We Don't Need Is a Germany Going It Alone

By Richard Helms

This is the second of two articles.

WASHINGTON — The Bush administration, to be sure, has had a difficult hand to play. The United States does not want to antagonize a West Germany that has been a faithful ally, provided a home to thousands of American troops and been on good behavior since World War II. Nor does it want to do anything too dramatic in Central or Eastern Europe that might cause problems for Mikhail Gorbachev and perestroika.

What appears to have been decisive among U.S. policymakers is the argument made by Henry Kissinger and others that it would be disastrous for the United States to put itself on the wrong side of German national aspirations. Once this view became dominant within the administration, Washington had effectively handed the ball to Chancellor Helmut Kohl. And he has run with it.

The process of reunification has moved so quickly that it is easy to lose track of how far we have come. A year ago, West German spokesmen routinely denied that they had any serious interest in reunification.

The rush began last fall when Hungary opened its border and allowed East German refugees to transit to the West. That stimulated a huge outflow of refugees. Much of

what has happened since has been driven by a desire to stanch the flow.

Erich Honecker thought that a crackdown on protesters in Leipzig would work, and he ordered one on Oct. 9. But Egon Krenz, the chief of internal security, countermanded the order, and on Oct. 18 he replaced Mr. Honecker.

The Berlin Wall was opened the night of Nov. 9, with Mr. Krenz hoping that once East Germans knew they were free to leave, they might stay put. But they continued to flee. Mr. Krenz insisted that reunification was not on the agenda, but by Dec. 6 it was he who was not on the agenda. He had been ousted, and from then on the decisive voice in East German affairs has been that of a West German, Helmut Kohl.

Mr. Kohl had staked out the ground on Nov. 28 with his 10-point plan on reunification. It was an extremely important speech, but he did not discuss it widely with German colleagues, and it apparently caught the Americans and Soviets largely by surprise. He tried to reassure his critics. Reunification would be a slow and careful process, a gradual stitching

together of the two states. But he had put down his marker. He had made reunification his issue.

With no one prepared to check the enthusiasm in East Germany for immediate unity with the West, the process became an uncontrollable surge. East German elections were scheduled for May. When that seemed too long to wait, they were rescheduled for March.

The same restless push is evident now on the issue of currency conversion. At first the West Germans talked about a five-to-one rate, which overstates the real buying power of the East German currency. Now discussion is said to include the possibility of a much more inflationary one-to-one parity.

As this chronology makes clear, opposing reunification is now a moot issue. It is clearly going to happen. And if the process is going to move as rapidly as now seems likely, a renewed effort must be made to internationalize Germany's military role. Keeping a reunified Germany in NATO would be one obvious method of internationalization, but there must be others.

Internationalization of development efforts in Eastern Europe also makes sense, rather than leaving the task to the new German superpower. For example, Washington might sponsor a joint development bank to support the East Europeans; this would allow America, Germany, Japan, France and other countries to share responsibility for rebuilding Eastern Europe — and to share whatever influence came with it.

Perhaps the countries of Eastern Europe could use help from American experts in areas ranging from agriculture to banking, under a modern version of what was known in Harry Truman's time as a "point four" program. This, too, might check the German tendency to go it alone in Eastern Europe.

What does not make sense is a neutral, demilitarized Germany. After World War I, Germany was left unarmored in the center of Europe. In effect it was neutralized. What happened then? Hitler secretly rearm, and the world remembers the outcome.

The writer, a former director of the CIA, is president of *Safer Co.*, a Washington consulting firm. He contributed this comment to *The Washington Post*.

## European Defense Could Learn From Switzerland

By Brian Beedham

LONDON — Here is a suggestion economically but sensibly reshape defense policies in the new Europe.

Most people's eyes are fixed on the huge general questions suddenly thrown up by the collapse of the Warsaw Pact and the imminent reunification of Germany. Can the Atlantic alliance survive, or will Americans take their soldiers home? Can the countries of the European Community build up something like a common defense policy, or will they go on having separate armies?

Put those general questions to one side for the moment. Whatever the answers, whether Europeans do it together or separately, with or without America, they need to grasp the peculiar nature of the practical military problem they face.

The danger from Russia has very probably been reduced to near zero for the next few years, yet Europe has to be ready to cope with some other possible dangers, which call for rather specialized armed forces. And any-

way, the very probable fading of the Russian danger is less than a certainty, so it is necessary to keep an insurance policy against Russia. All this requires a novel approach to defense.

In all probability, the army that democratic Europe needs in the next few years to keep an eye on Russia can be a lot smaller than the one NATO now has in Europe. (If the Americans go on providing their share, the contribution of European members of NATO can be that much smaller still.) It would make sense for the smaller army to be a professional one, not a conscript force. Professionals are more efficient. The smaller a conscript army, the more money is wasted on training men who swiftly vanish back into civilian life and forget their brief acquaintance with the military craft.

The case for a professional army is reinforced by the other, non-Russian challenge that Europe may have to face in the 1990s. The coming years could see a variety of crises in the

world to the south and east of the Mediterranean. Some of these may require military action by highly trained European units ready to move at short notice. Again, this points to professionals, not conscripts.

But a professional force alone will not be enough, for two reasons. In many European countries, politicians regard a period of compulsory military service as a way of reminding young men of their duty to their country. And Europe's generals will add that Europe needs the ability to expand its armies very quickly indeed if something goes wrong in Russia. A coup by conservatives in Moscow, prepared to tear up arms control treaties and reassert Soviet interests in Central Europe, could suddenly make that small professional force look most inadequate.

For both these purposes, the little country of Switzerland has something to offer its fellow Europeans. The Swiss operate what they call the militia system. They require their young men

to do a brisk four months of military training, a much shorter spell than in the countries that use conventional conscription. Then, unlike other countries, the Swiss keep their militiamen in trim by regular short call-ups until they are too old to fight. The result is that Switzerland can turn out virtually its whole male population, ready to shoot, literally overnight.

This could be the second layer of a two-layer defense policy for Europe. The professionals could do the basic job. The part-time militiamen would provide the insurance policy against Russia going sour again. And a few weeks' tuition each year would remind rich, safe young men what it is that keeps them rich and safe.

Would it cost a lot? No. The Swiss spend less on defense, per head, than most other Europeans.

No doubt the other Europeans, who might have to fight on the plains of Northern Europe rather than falling back on the redoubt of the Alps, may need to buy more tanks and other such expensive things than the Swiss require. On the other hand, unlike the Swiss they probably would not want to keep their militiamen in training much beyond the age of 30. All in all, the militia system is relatively cheap.

Some people in Switzerland say it is odd to commend the Swiss as a model for the defense of Europe. Only three months ago, after all, an embarrassing 36 percent of Swiss voters supported a call for the abolition of their army.

Do not be misled. Most of that 36 percent wanted improvements in the way the army is run, not the end of the militia system. The seemingly old-fashioned way the Swiss protect themselves is as good as ever, and the rest of Europe should be taking a look at it.

International Herald Tribune.

## No Surprise, Really, in Nicaragua

By Penn Kemble

WASHINGTON — The surprise about the victory of Violeta Barrios de Chamorro in the Nicaraguan elections is that her victory came as a surprise.

Reaction in the United States reveals that even after the popular upheavals in Eastern Europe, few in the political and journalistic establishment have absorbed the meaning of totalitarianism: the ability of the rulers to instill fear, and the way subject peoples learn to hide their true political sentiments.

It also shows how much the discussion about Nicaragua has relied on projections of Americans' own ideologies and political passions, and how little attention they have paid to Nicaragua and its neighbors.

The presumption took hold in Washington that the first real election victory in history by Marxist-Leninists would be won in Nicaragua. Only a few, among them the State Department's Latin American bureau and Representative Stephen Solarz, showed confidence in the opposition.

The stunning misreading may owe a bit to those on the U.S. right who were convinced that only military means could overcome the Sandinistas. But a more important source has been those on the left who have long insisted that the anti-Americanism and radicalism exemplified by the Sandinistas was the authentic spirit of Latin America.

Such powerful political preconceptions could not have acquired such influence had not so many U.S. political observers suspended

their usual skepticism and common sense. As President Oscar Arias Sánchez of Costa Rica said, voters in democratic do not return innumerable whose terms have seen double-digit inflation and high unemployment. It would be unthinkable, he said, in a free and fair election for Nicaraguans to return a government that had experienced an astronomical inflation rate in 1988 and a 30 percent unemployment rate, not to mention an exodus of at least 15 percent of the population.

There may be room for honorable argument about whether the United States should have provided military aid to the contras. But even those who challenged that policy might have wondered why thousands of peasant farmers would abandon their homes for a badly managed guerrilla war against a large, well supplied army.

Too often, the contras were dismissed as mercenaries and reactionaries, when their stories at least might have illuminated harsh truths about life under the Sandinistas.

The Nicaraguan presidential campaign was reported as if it were taking place in Massachusetts. Would Mrs. Chamorro's National Opposition Union be tarred by the debilitating donations it received from the United States? Never mind the ample resources the Sandinistas had obtained from their sponsors. And weren't the Sandinistas sick and well organized? Never mind the con-

stant obstruction and harassment that Mrs. Chamorro's alliance suffered at the government's hands.

Reports about opinion polls caused the greatest distortion. More often than not, they showed President Daniel Ortega with a comfortable lead. At least Mark A. Uhlig of *The New York Times* and Paul Bernman in *The Village Voice* had the insight to note that the pollsters' findings bore little relationship to what one heard in intimate conversations. But others reported poll results without asking what effects the blanket of repression that has for so long lain over Nicaragua might have had on the respondents.

Mrs. Chamorro's election, together with the rejection of the Panamanian people about Manuel Antonio Noriega's fall, should fundamentally alter U.S. attitudes about Latin Americanism and radicalism. It seems that when people can express themselves freely they welcome the support of the United States in securing their democratic rights.

U.S. policymakers once imagined that the little people of Latin America were content to live under oligarchs and generals. About a generation ago it became fashionable to believe that Latin America wanted to become a laboratory for the experiments of the extreme left. Sunday's election should put those illusions behind us.

The writer is senior associate of *Freedom House*, a human rights organization. He contributed this comment to *The New York Times*.

## Old Habits Surface In Russia

By Flora Lewis

PARIS — Among the ugly contrasts of the Communist rule was the failure to keep pace with revision in the ancient disease of anti-Semitism, let alone create a new mentality, as boasted. So a side effect of advancing release from repression in the East is revival of slanders of the past.

They have appeared openly in several parts of Eastern Europe. But the most conscious have come in the Russian heartland, where a combination of deliberate attempts to stir provocation and disorder and stigmatizing pogroms have old demons to the surface.

It was not unenforced. As much as three years ago, Jews in Moscow told me of signs that renewed persecutions were gathering force. Gorbachev informed warned of a dangerous coalition between Communist hard-liners clinging to their privilege and anti-Communist nationalists calling the mystical "purity" of Mother Russia.

Last weekend the Leningrad school-teacher Nina Andreyeva, dubbed the "passionaria of the conservatives," earned rousing applause at a Moscow rally denouncing Mikhail Gorbachev and company, crying, "Long live the unity of patriotic and socialist forces." Le Monde's correspondent, Bernard Guetta, translated it accurately as mean, "Long live national-communism" — not an accidental reminder of an aggressive German movement called National Socialism.

The English expressed at the prospect of a unified German state comes in part from neighboring concerns at a new dimension of economic and political power. But more, it stems from the vivid memory of the Nazis and their calculated inhumanity. At this point in history, there is more cause to worry about the infection of anti-Semitism further east. It remains endemic.

For the first time, the Gorbachev regime has just opened a criminal investigation of the organization Pamyat (Memory) for violation of the law against "incitement to hatred and to national and racial conflict." This clearly represents a Kremlin decision that, after all, there was more to be lost by trying to ignore Pamyat's anti-Semitic campaign than by giving it the prominence of public prosecution.

The challenge was flagrant. There were not only the speakers at Ms. Andreyeva's rally listing Jewish names as the source of Soviet ills. There was not only the incursion of Pamyat members at a Moscow meeting of liberal writers last month, shouting "Jews-Fascists, out — next time we'll come with machine guns."

There was an underground pamphlet, finally published by Moscow's Institute of Energy to show how bad things were, demanding that "Jews and their relations be forbidden to submit theses, acquire academic degrees and knowledge, join the Soviet Communist Party, be elected to the Soviets and be named to leading positions in the party, the state and elsewhere." It still took urgent insistence by reformist newspapers such as *Literaturnaya Gazeta* and *Moscow News* to move the prosecutor's office to act.

In Romania, vandals attacked a synagogue in the town of Oradea last week. In Hungary, an undercurrent of anti-Semitism is being exploited by nationalists in the campaign for free elections in March. A noted Western economist was told that it was too bad she couldn't be asked to join the board of an important new Budapest joint venture because she was Jewish.

The cardinal prime of Poland last year spoke abusively of Jews in connection with the dispute about the convent at the gates of Auschwitz. Now, at last, it is reported that work has started on a new building site, and the Solidarity-led Polish government publicly "deplored" the officially inspired anti-Semitic campaign which forced thousands of Jews to emigrate in 1968, offering return of citizenship to any who wish it. Diplomatic relations are being restored with Israel.

There are only a few thousand Jews left in Poland. But the point is that it takes deliberate will and effort to enrage a mental scourge, as it does to establish democracy. In Spain, the government has signed an agreement giving Jewish and Protestant religious equality status with Catholics for the first time since the expulsion of Jews in 1492, and it is prepared for a similar accord with Muslims. Spain has been an inspiring example for the East in showing that it is possible to move from dictatorship to democracy.

Mikhail Gorbachev has opened the way for massive emigration of Jews. But it is no gain for the creation of a civil society for them to be driven out. Overcoming anti-Semitism is another test of his "new thinking" and his system's capacity for reform.

The New York Times.

## 100, 75 AND 50 YEARS AGO

### 1890: Ill-Named Disease

PARIS — *The Herald* says in an editorial: The telegraph has probably erred in the name of the new disease appearing in Italy. That it is called "la nouva," or "the grandmother," is very improbable. If an Italian wanted to name a particularly objectionable disease after a relative he might call it "la suocera," or the mother-in-law, but certainly not "the grandmother." As the salient feature of the new disease is extreme sleepiness, it is probably called "il sonno," or the sleep. It is possible that benedictine Nuns, learning that Signor Bonghini will be seeking support for his new political party, has endeavored to accustom the people to the effect his speeches will produce.

### 1915: Moulin Rouge Fire

PARIS — Montmartre's famous music-hall, the Moulin Rouge, is little more than a heap of ashes. Early yesterday [Feb. 27] a fire broke out in a property room and spread to the entire

building. Only the facade and a portion of the stage remain standing; the auditorium and ballroom are completely destroyed. The Moulin Rouge was built in 1889 on the site of the former "Bal de la Reine Blanche."

### 1940: U.S. Alien-Baiters

NEW YORK — Ernest Hemingway, the novelist, issued a special report on anti-alien propaganda prepared for the fourth annual conference of the American Committee for Protection of Foreign Born, charging that there are more than 800 organizations in this country distributing anti-alien propaganda to promote un-American attitudes toward the alien. Mr. Hemingway indicated that every effort should be made to prevent the passage of the 70-odd anti-alien bills in Congress. Among the most active in their attacks on the foreign-born figure: Immigration Conference Board, Vindicators; Associated Farmers; Kn-Klux-Klan; Silver Shirts; Christian Front; Paul Revere, Inc.; Order of 76.



## OPINION

## In Israel, Justice Turns a Leaf

By Anthony Lewis

BOSTON — Israel's military justice system can respond to charges of brutality by its forces in the occupied West Bank and Gaza. That has been shown in a case raised in this column (IHT, Oct. 26).

Shawwan Jabarin, a Palestinian human rights worker, was arrested at his home in the West Bank on Oct. 10. He charged in a sworn statement that soldiers had beaten him.

At the Hebron police station, he said, a soldier took him into a bathroom, forced him to lie on the floor and beat him with a baton until he lost consciousness.

Human rights groups in the United States and Israel took up the case. Former President Jimmy Carter wrote to the Israeli defense minister, Yitzhak Rabin.

The first official response from Israel was denial of any wrongdoing. Mr. Rabin replied to Mr. Carter that "reasonable pressure" was applied after Mr. Jabarin "refused to enter" his cell. He added, "As to the beating of the man, it was only moderate enough to convince him to accept detention."

On Oct. 24, Mr. Jabarin was ordered detained without trial for a year. He was taken to Ketzio, a prison for detainees in the Negev. But the legal department of the Israel Defense Forces took seriously the various complaints about Mr. Jabarin's treatment. The advocate-general of the military, Amnon Shashnov, ordered an investigation by the military police.

Last month, the advocate-general reported on the findings of the investigation and acted on them. He ordered that one soldier be court-martialed and that another be subjected to disciplinary proceedings.

Mr. Jabarin had claimed that soldiers beat him in an army vehicle on the way to the prison. The report found: "From questioning the soldiers it became apparent that Jabarin was indeed struck on the back of his neck and on the head."

The report also found basis for his complaint that he was beaten again at police headquarters. The investigation found that he was indeed struck on the back of his neck and on the head.

Other charges were rejected. The challenge was flagrant. There are not only the speakers at the rally, but also the source of the rally. There are not only the speakers at the rally, but also the source of the rally.

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The advocate-general found "no substantiation" for a claim by Mr. Jabarin that policemen had beaten him and refused to accept the complaint, or another that soldiers had burned him with cigarettes.

A member of the Knesset who had raised the Jabarin case with the government, Dedi Zucker, said the results showed that the military will investigate such cases — if it is best to do so. "When there is public pressure," he said, "you get results."

Monia Rishmawi, director of Al-Haq, the West Bank human rights organization for which Mr. Jabarin worked, said: "It is something — a real prosecution. It should help in warning off others."

The Jabarin case seems to demonstrate that a culture of justice survives in Israel, a testament to live by the law. It also shows that there are mechanisms to correct abuses even in the occupation, if those mechanisms are used. But the truth is that such investigations of alleged brutality by Israeli occupying forces are

the exception, not the rule. The case reminds us how hard it is to live up to the ideal of law when one people rules another by force.

The U.S. State Department, in its annual report on human rights, said 435 cases of alleged military misconduct were investigated last year. But it added that "regulations were often not vigorously enforced, many cases of unjust killing did not result in disciplinary action, and punishments were often lenient."

The report noted that the Israeli High Court is open to Palestinians who have been ordered deported, whose houses have been blown up or who have been detained without trial. But the court has not reversed any of those military orders.

Shawwan Jabarin remains in detention. A military judge ruled, on the basis of secret evidence, that he was an "activist" in the Popular Front for the Liberation of Palestine.

Mr. Jabarin's wife had a baby shortly after he was arrested. She has sent him photographs, but the letters have never reached him. His lawyer is trying to find out why.

The New York Times

## UNESCO Is Changing, So America Should Come Back In

By Leonard R. Sussman

WASHINGTON — Five years ago the United States walked out of UNESCO, complaining that it was badly run, spent money recklessly and, perhaps most important, posed a threat to freedom of the press in the world because of its promotion of a "new world information and communication order."

Since then a lot of things have changed, both in UNESCO and in the world. I believe that it is time to rejoin. Not only does UNESCO no longer qualify as a threat to freedom of the press, but it may be a very useful agency for promoting press freedom in Eastern Europe, where it is just emerging.

In November, UNESCO's general conference dealt with a number of matters that had concerned the United States. It budgeted zero growth on expenditures, worked toward a reorganization of its management process and laid out a communications program that promised press freedom more explicitly than any in UNESCO's 44-year history.

The communications program is based on "free flow of information," an objective repeated 23 times in the 23-page plan. This emphasis reflects the "new strategy" of Federico Mayor Zaragoza, the Spanish biochemist who succeeded Amadou Mahtar Mbow two years ago as director-general. The plan com-

mits UNESCO to facilitate and guarantee for journalists the freedom to report and the fullest possible access to information.

UNESCO would also facilitate "access by the public to information in all its forms," hardly a sop to authoritarianism. Indeed, the plan provides a linguistic due to the dramatic change of course. For the first time, "of" it, which implies ownership or control by the government. And for the first time there are repeated references to private news media, private enterprise, the private sector — they, too, to be supported and protected.

This week, journalists from the Soviet Union and Eastern Europe are conferring with Western media leaders to find ways to develop "a free, independent and pluralistic press" in Eastern Europe. The emergence of nongovernmental news systems in the East is an "encouraging development which UNESCO welcomes," says Mr. Mayor, who organized the two-day work session in Paris. It is the first practical step taken by UNESCO to help advance press freedom under its new mandate, and it is a significant one.

The commitment to "free flow" is repeated almost to the point of boredom in UNESCO's communications program. Wherever it is related to "balanced dissemination of information," a phrase appears: "without any obstacle to the freedom of expression."

The mandate clearly opens a new era at UNESCO. Its programs include high-level international science links, a global library campaign, saving worldwide cultural legacies, managing the world copyright convention, providing the only global forum for charging governments with violations of individual human rights, and scores of projects to improve education in developing countries.

The U.S. administration should now appoint a high-level group to examine and report promptly on UNESCO's new programs and on the budgetary and management changes demanded for so long by American critics. American interests in science, education and other fields are ill-served by the continuing absence of the United States from UNESCO in these crucial, fast-changing times.

The writer was a member of the panel that studied UNESCO for the United Nations Association of the USA. He contributed this comment to The Washington Post.

Those sessions were described by one delegate as "psychodrama." Significantly,

however, no one even suggested restoring some of the old bugaboos associated with that order: licensing of journalists, imposition of governmental press codes, monitoring of independent journalists.

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## Tibetan Grace Is for All of Us

By Pico Iyer

LOS ANGELES — Before I went to Tibet, I assumed that all the reports I had heard about the "Abode of Gods," from Tibetans and their friends, were fairy tales or wishful thoughts. After I came back, I was a realist. For the air itself, along those unearthly plateaus, seemed to vibrate with an intensity I had never seen, or even imagined. Its spirit was quite different from the pleasant calm one finds in the other remote places of the Himalayas. In Tibet, devoutness charged everything.

I saw pilgrims walking across the whole inhospitable breadth of the land to visit the sacred places of Lhasa. Old men and women labored up steep mountainides to give what they had to monks. The square outside the Jokhang Temple was filled from dawn to midnight with votaries performing three-part prostrations. And once, when I gave a monk a picture of the exiled Dalai Lama, he wept.

Today that faith, culture and intensity are on the brink of extinction. All but 13 of Tibet's 6,254 temples have been reduced to rubble.

city on a hill, is little more now than broken walls. The Drepung, once the largest monastery in the world, carries no voice but the wind's.

The systematic desecration of Tibet has been going on for 40 years. Now an entirely new culture is being set up. In order to adulterate the race, Beijing has flooded the area with Han Chinese, so that Tibetans are now far outnumbered in their capital. The Jokhang is studied with the best of AK-47s. In the shadow of the 13-story Potala Palace, the rulers have erected a Holiday Inn. And the land is home to more than 300,000 soldiers.

Tibet has lived under martial law since three months before the massacre of students in Beijing. And as March 10, the 31st anniversary of the Tibetan uprising, draws near, the cycle of rebellion and repression seems certain to start up again.

At stake is something more than just a stretch of land. Tibet has always been as much a symbol as a site. Today it is as much a notion, as a nation, under siege. For centuries Tibet was the name we gave to our loftiest imaginings, that high, half-mythic place, not far below the heavens, where the air was pure and the colors sharp.

For centuries the country hardly seemed to exist on any map except that of the inner eye. Until 10 years ago, fewer than 2,000 Westerners had ever set foot in the Forbidden Land. For two millennia Tibet was that magic realm three miles above the sea where a culture could live apart from the world, in peace; the place where god-kings were discovered at age 2 and monks were said to run in trances for 60 miles or more. Tibet was the place where anything could happen.

A down-to-earth Austrian mountaineer, Heinrich Harrer, escaped from his prisoner of war camp in India, stumbled into Tibet and ended up as tutor to the Living Buddha. Tibet was our lost horizon.

In that sense, Tibet has always been the property of all, and all of us have cause to care about the rooftop of the world. If Tibet is destroyed, something precious inside us will be lost: a refuge, perhaps, or the hope that faith can hold out against cynicism, a peaceful theocracy survive even in the global village.

It is not just two cultures but two concepts that are clashing in Tibet: the belief that everything must fit into some geopolitical equation, and the hope that something can exist apart from that.

In the 14th Dalai Lama, the Tibetans are blessed with one of the most winning and dignified leaders in the world. Even skeptical journalists who come into contact with his mischievous warmth and good nature come away staunch Tibetans.

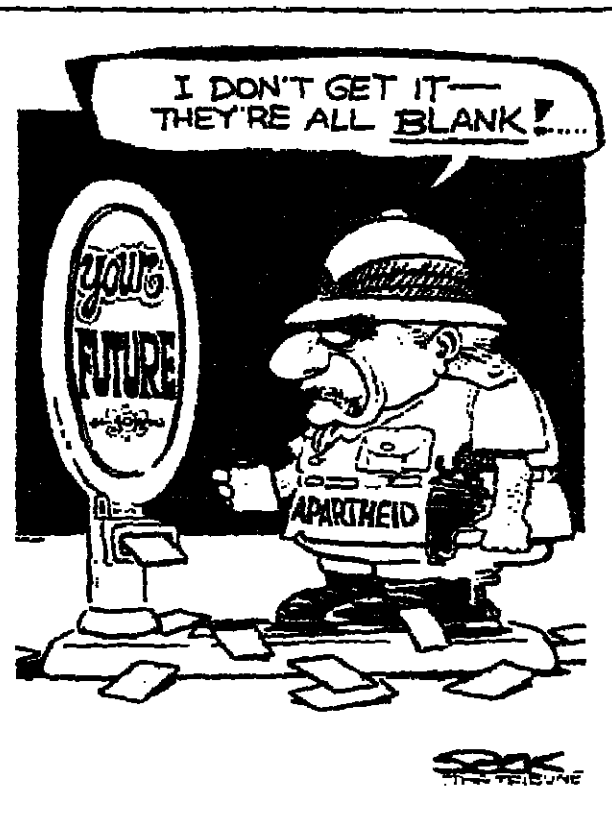
And true to the Buddhist ideals of compassion and detachment, the man who calls himself "a simple Buddhist monk" has gone out of his way to bring balance to the tangled issue, acknowledging that his homeland had to pay the price for being too isolated from the world, refusing to cast blame upon its Chinese enemies.

Almost alone among worldly (and unworried) leaders, he has mastered the conference table without abandoning his hold on gentleness and principle.

The last time I talked to the Dalai Lama was in October, the day after he had been awarded the Nobel Peace Prize. It was an exceptionally busy time for him and his small staff as they fielded requests, congratulations and suggestions from around the world. The Living Buddha had a thousand things to do.

Yet, when I burst in on him, he not only took time out and whisked me off to a little room for a chat, but as soon as we entered he started bustling around to find me a soft cushion. The god-king refused to sit down until he had made me comfortable. That simple gesture — a kindness as natural as breathing — moved me as much as anything he said. And it is that spirit that the guns would level.

Pico Iyer is author of "Tides of Night" in *Kirkus*. He contributed this to the *Los Angeles Times*.



## LETTERS TO THE EDITOR

## Why Attack Gorbachev?

Regarding "As the Party Fades, a Supercrusher Is Born" (Opinion, Feb. 10) by William Safire:

After Mikhail Gorbachev's agreement to free the captive nations of Eastern Europe, to the surprise of many, the press has turned to attacking him. The press has turned to attacking him.

There are only a few reasons for this. The first is the press's desire to attack him. The second is the press's desire to attack him.

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## Carve Up Yugoslavia

In response to my letter of Jan. 12, the ambassador of Yugoslavia to Cyprus, Petar Boskovic (Letters, Jan. 23) argued that the principle of self-determination is not applicable to the nations of Yugoslavia. But all evidence points to the fact that the Yugoslav union has not proved a lasting solution.

A separation of the republics would be viable. Smaller and democratic states might be more manageable and more positive members of the new European order.

ANTHONY CUALO, Columbus, Ohio.

Regarding "Shamir Must Be Re-remembered of the Founders' Vision" (Opinion, Feb. 3):

Milton Vorst appears overwhelmed by the impending mass movement of Soviet Jews to the Israeli-occupied territories. But few

have settled there in the past and few are going to settle there.

Seen after the stir caused by Prime Minister Yitzhak Shamir's linking of "big Israel" and Soviet immigration, a government press release said that just one in 180 Soviet Jews had so far settled in the territories. Mr. Shamir said his words had been mistranslated, that he had been referring to the character of Israel, not its size. Clearly, Israel's policy is not to steer immigrants to the territories.

The growing influx of Soviet Jews is a major challenge that will require Israeli resources and resolve. Mr. Vorst's efforts would be better spent on these issues than on criticizing Mr. Shamir.

SUE GOLDEN LERNER, Jerusalem.

After reading "As Jews Flee, Israel Does Its Duty" (Feb. 13) by William Safire, I would ask: Is Israel doing its "moral duty" toward Soviet Jews or toward its Zionist ambitions?

JOHN BUNZL, Vienna.

Mr. Vorst states that Israel's victory in the Six Day War "shifted Zionism from a commitment to a homeland to a fixation on extended borders." Then he adds: "For two decades, this revised idea of self-determination is not applicable to the nations of Yugoslavia. But all evidence points to the fact that the Yugoslav union has not proved a lasting solution."

A separation of the republics would be viable. Smaller and democratic states might be more manageable and more positive members of the new European order.

ANTHONY CUALO, Columbus, Ohio.

Regarding "Shamir Must Be Re-remembered of the Founders' Vision" (Opinion, Feb. 3):

## West Bank Elections

Regarding "Israel: Shamir's Offer Is a Palestinian Opportunity" (Opinion, Jan. 29) by A. M. Rosenthal:

Elections in the West Bank run the risk of complicating the peace process by producing a local leadership that could be inimical to Israel. Such elections also might increase the chance that Islamic fundamentalism would grow.

But Israel is prepared to take these risks if the elections can be truly free and representative of the indigenous Arab population — without the heavy-handed guidance of the undemocratic Palestine Liberation Organization.

Let PLO sympathizers in the West Bank compete fairly and square for the free votes of the population. Israel is saying that it is prepared to live with the results.

ART STONE, Arlington, Virginia.

Airmail's Dying Flaps

Robert Stuart (Letters, Jan. 30) complains of a letter mailed in London on Dec. 12 and received by him in Rome on Jan. 16. We regularly experience 30- to 40-day airmail time from West Germany or France to middle America (Chicago). The same time is sometimes needed between Chicago and the West Coast. On some routes we lose up to 5 percent of our letters.

It is difficult today to pursue business by mail. Indeed, traditional letter post is withering in every Western country. This represents a policy choice against traditional communication and in favor of higher technology: telephone, fax and so forth. Whether such evolution represents progress or, as Mr. Stuart says, degradation is a question for historians. The fact is, airmail is a dying bird.

DAVID BACKHAUS, Paris.

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Mooen A. Qureshi, Senior Vice President, Operations, World Bank, Washington, D.C.

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Marcel Massé, President, Canadian International Development Agency, Quebec

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Martin Kramer, President, Group of 7 and President, Africa Verein EV, West Germany

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Michel Belgecom, President of UNIBRA (Belgium, Zaïre, Guinea), President of the Belgian-African Chamber of Commerce, Former President of the Group of 7

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Seyni Loum, Court Lawyer, France  
Yoshio Terasawa, Executive Vice President, Multilateral Investment Guarantee Agency, Washington D.C.

**AFRICA OPENS UP TO PRIVATE ENTERPRISE**  
Adebayo Adedeji, Executive Secretary, UN Economic Commission for Africa

**THE TASKS AHEAD**  
Jacques Pelletier, Minister for Cooperation and Development, France

**CONCLUDING REMARKS**  
Babacar Ndiaye, President, African Development Bank

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# Wary of Sharing Military Technology, U.S. Lags in East Asia Market

By Michael Richardson  
International Herald Tribune

SINGAPORE — U.S. reluctance to share military technology with East Asian countries that are becoming strong industrial and trading competitors is helping European nations win a growing share of military contracts in the region, officials say.

Among the principal beneficiaries are France, Italy and Britain.

U.S. analysts attending a recent aerospace show here also predicted that rivalry between European and U.S. companies in the Asia-Pacific arms market would increase in the next few years as regional manufacturers, many of them working in collaboration with European companies, offer increasingly sophisticated military-related equipment for export.

Regional manufacturing countries include Japan, China, South Korea, Taiwan, India, Australia and Singapore.

Goh Chok Tong, Singapore's defense minister and first deputy prime minister, said, "With

the slowdown in defense spending in the West, companies will refocus their business strategies and look elsewhere for further expansion and growth."

Gregory R. Copley, editor in chief of Defense and Foreign Affairs magazine, said that as one of the few regions in the world where military orders were likely to continue to grow, the Asia-Pacific region "will be subject to inordinately competitive selling by the U.S., European and other defense producers."

Military spending by East Asian nations amounted to about \$75 billion in 1989. That figure is not being reduced. Analysts and officials said that as they modernized their economies, Asian countries were determined to achieve greater self-reliance in defense to reduce dependence on outside powers.

Officials said Asian nations also realized that acquisition of advanced military technology and manufacturing processes would hasten development of the civilian economy, since most advanced technologies can be applied to both military and commercial products.

"Ten years ago, countries were interested in national security, now its national economics," said W. Frank Parker, vice president for international marketing of ITT Defense, a U.S. military electronics company. "That is changing the way we have to do business."

Instead of accepting off-the-shelf sales for cash, East Asian countries are demanding easy payment terms, offset manufacturing contracts, licensed production of equipment and greater access to technology through coproduction and codevelopment of military hardware.

For example, three state-owned companies — Aerospatiale of France, China Aerotechnology Import Export Corp. and the Singapore Aerospace group — announced this month that they would share the costs of designing, manufacturing and marketing a new light helicopter for civilian and military use, mainly in the Asia-Pacific region.

Henri Marbre, president of Aerospatiale, said some Western countries and companies were highly restrictive about exporting technology

because they "are afraid to create new competition."

But Aerospatiale, he said, was convinced that "for future survival we must have a worldwide network of cooperative ventures" to compete against larger aerospace companies, including those from the United States.

The United States is still the main source of military hardware and technology for non-Communist countries in East Asia.

But analysts and executives of U.S. aerospace companies said that although the Bush administration was slowly easing controls on defense technology exports to East Asia, it was not moving fast enough to prevent European companies with strong government backing from taking sales.

Prasun Sengupta, deputy editor of Aerospace magazine, said American joint ventures with Asian nations "have been made to walk a tight-rope," mainly because of U.S. regulations on export of technologies that can be used for both military and commercial purposes.

"The United States," he said, "is particularly

wary of having its technological lead eroded by Asia-Pacific countries such as India, Japan, South Korea, Singapore and Taiwan."

The spread of ballistic missile technology and of nuclear and chemical weapons "are other barriers in the way of technology transfer," Mr. Sengupta said.

Although Thailand, Indonesia and Singapore have bought U.S. F-16 jet fighters, Britain achieved a breakthrough last year when Malaysia signed a memorandum of understanding for a major arms deal that included a squadron of European Tornado strike aircraft.

Executives of British Aerospace Ltd. said terms for supply of the Tornados were still being negotiated with Malaysia but would include countertrade and offset arrangements as well as training and support.

"In East Asia now," said Michael J. Turner, executive vice president of the military aircraft division of British Aerospace, "you have to come with offers of joint ventures or industrial cooperation to be in the game."

Officials of Agusta SpA, said the Italian

company had recently entered into a joint venture agreement with the Sammi Group, a South Korean steel producer, for local production and regional export of several hundred of Agusta-Sammi SF-600TP Cangero twin-engine light transport aircraft for military and civil use.

Some Asian countries "have told us they are tired of being treated like banana republics by the United States and that they don't need to come to us any more because they can turn to Europe," said Robert J. O'Rourke, senior vice president of Hughes Aircraft International, U.S. company that makes a wide range of equipment from satellites to missiles.

American aerospace executives said that U.S. controls applied to defense exports to some Communist East Asian countries were excessively strict, cumbersome and time-consuming.

A U.S. Commerce Department official said the security controls were "a good idea that had run amok. They just serve to hobble our defense contractors when they compete for exports," he said.

## At Least 55 Killed In India State Votes

By Steve Coll  
Washington Post Service

NEW DELHI — At least 55 people died and scores were injured in election violence Tuesday as an estimated 125 million Indians in eight states and one federal territory voted to choose their state governments.

Nearly all of the deaths and most of the trouble occurred in the eastern state of Bihar, a poor and chronically violent region where criminal gangs reportedly have penetrated the main political parties.

A number of candidates with murder convictions are running for office there.

Security forces imposed a curfew Tuesday night in some areas of the state, where there were earlier reports of attacks on polling places, stealing of ballots, and clashes between armed groups of political party workers.

There were allegations of vote-rigging in other areas of the country, but in most states the voting was reported to be orderly and peaceful.

Violence is a common byproduct of elections in India. Dozens of people were killed during the national elections in November.

The state elections Tuesday were expected to provide a strong endorsement of the three-month-old administration of Prime Minister Vishwanath Pratap Singh, whose minority National Front government came to office in November, when voters rejected the former prime minister, Rajiv Gandhi, and his Congress (I) Party.

While results from the vote will not be tabulated until Wednesday, opinion polls indicate that there has been no change in the tide of public disenchantment with Mr. Gandhi and his party.

The general secretary of Congress, Ghulam Nabi Azad, predicted Tuesday that his party would win control of only one state government, in the populous state of Maharashtra.

But polls suggest that Congress will be lucky to do that well. The polls have fueled speculation that Congress Party stalwarts might stage a revolt against the leadership of Mr. Gandhi, who is now opposition chief in parliament.

Besides Mr. Singh's Janata Dal, the biggest winner is likely to be the Hindu fundamentalist Bharatiya Janata party, which won a record 82 parliamentary seats in the November election and provides crucial political support to the minority National Front administration.

If the polls prove accurate, the Bharatiya Janata may for the first time lead administrations in several important states, including Madhya Pradesh, which has a population of about 60 million and a sizable budget.

Muslim leaders in India have expressed concern that a Bharatiya Janata administration would discriminate against minority groups and might even indirectly sanction police and vigilante attacks on Muslims.



Muslim demonstrators in Srinagar burning an effigy of Prime Minister Vishwanath Pratap Singh.

## Tanzanian Political Door Ajar Nyerere Gingerly Hints at Possibility of Multiparty System

By Jane Perlez  
New York Times Service

DAR ES SALAAM, Tanzania — Julius K. Nyerere, a leading advocate and practitioner of one-party rule in Africa for the 25 years that he led this country, has recently opened the door, gingerly, to a multiparty system in Tanzania.

In what amounted to the first discussion by an African leader of the political repercussions of events in Central Europe — where Tanzania, among others, has sent party cadres to study — Mr. Nyerere suggested that a single-party state should not be sacrosanct.

"Tanzanians should not be dogmatic and think that a single party is God's wish," said the man who was the unchallenged president of Tanzania 1961 to 1985 and is addressed with the honorific "mwalimu," or "teacher."

He remains chairman of the country's only political party, Chama Cha Mapinduzi, and many say that his power has in fact changed little.

In most African countries, the collapse of Communism in Central Europe has been largely ignored or addressed with clear discomfort. The subject is usually broached in terms of how much foreign aid is likely to be lost as Western countries turn their attentions away from hard-core Africa toward the more promising horizons of fledgling Central European democracies.

In some places, notably Kenya, politicians continue to defend the one-party state. Zimbabwe, once thought to be a possible model for

an African multiparty democracy, moved to formally adopt a one-party system in the very midst of the European turmoil.

In proclaiming his new tolerance for some possible political pluralism, Mr. Nyerere seems to have been influenced by his January visit to East Germany, where his party had formal relations with the Communist Party.

In a modest retreat from earlier assertions that one-party rule was a necessity, Mr. Nyerere acknowledged that the governing Chama Cha Mapinduzi, formed soon after independence in 1961, had stagnated — which some prominent Tanzanians had been saying privately for years.

"In our party right now, we are not close to the people," Mr. Nyerere said. "We have many members and leaders, some in the government and others outside the government and in the party, but all

are not close to the people. They are closer to their offices and desks."

Tanzania's most generous and committed admirers — Scandinavian countries that annually give hundreds of millions of dollars — say the main reason for Tanzania's dire economic performance has been the absolute dominance of the party and its abjectly managed version of socialism.

Government policies must be approved by the party.

Mr. Nyerere has offered no hint as to how a multiparty system might be put into effect. But according to lengthy accounts Sunday and Monday in the sole daily newspaper, the Daily News, he said that if the go-ahead was given for the formation of alternative parties they must be "national and secular" in character.

These are essentially code words meaning that any new party cannot be tribally or regionally based.

## Mandela Meets ANC in Exile

LUSAKA, Zambia (Reuters) —

The black nationalist leader Nelson Mandela met leaders of the exiled African National Congress in Lusaka on Tuesday at the start of his first foreign trip since his release from prison.

Setting the tone for his first direct talks with the ANC leadership since he was jailed in 1962, Mr. Mandela said recent political changes in South Africa had posed a challenge to the black nationalist movement. Mr. Mandela was released from prison on Feb. 11.

Speaking of the recent legalization of the ANC, Mr. Mandela said, "That development, as welcome as it is, has brought us a host of problems, which we cannot address without resources."

He was accompanied by Johannesburg by Walter Sisulu, an ANC leader. Mr. Mandela also appealed for international aid to help the ANC respond to the challenge. "We appeal to the international community to provide us with the capital and other resources to undertake this reconstruction," he said.

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A TRISTAR RELEASE





New York City Ballet members in Richard Tanner's "Prague Symphony," a new work in the company's repertory.

## N.Y. City Ballet Secures Its Gains

By Anna Kisselgoff  
New York Times Service

NEW YORK — The New York City Ballet season was fairly unexciting, a phenomenon that would have been gratefully regarded as stability by those concerned about the company's survival in its early days and immediately after the death in 1953 of its co-founder, George Balanchine.

Perhaps it is because the City Ballet's dancing has been maintained at such a spectacularly high level in the last six years that there is always a rising expectation.

Consolidation of past gains, however, has been the name of the game in the winter season just ended. Standards have not dropped; it is rather that we take them for granted. If anything, the young soloists promoted by Peter Martins came even more visibly to the fore.

But a sense of even keel does exist. There has been no anniversary to celebrate, nor has there been a

mammoth festival to stir up controversy, as in recent seasons. In recent years, debate has swirled around works created by Martins. There are some who will never forgive him for not being Balanchine. As Peter Martins, he has emerged, as today's leading neoclassical choreographer.

A new work this season was Richard Tanner's "Prague Symphony." It was a masterpiece of fashioning, often intricate, yet so safe an embodiment of Balanchine's influence that it failed to surprise and, perhaps, delight.

What the company has done this season is to take a breather. The spring promises something different. Martins is reportedly planning a new ballet. Robbins, although he has resigned as co-artistic director, is rehearsing for the company's June festival of Robbins ballets.

Without Balanchine's genius to evoke interest, does the City Ballet always need a festival, an anniversary or a celebrated choreographer? The answer is no and should be most obvious to those who can-

not accept that Balanchine is dead. Balanchine's repertoire is the company's backbone; his works are sufficient unto themselves.

But even Balanchine ballets can be danced in a routine fashion, and the danger is that the dancing can sometimes become merely efficient. This was the case this season in "Symphony in C," whose third movement, for instance, required jumpers with high elevation and did not always have them.

Yet, for every instance of uniformity there were 20 more when dancers stood out, revealing in the heat of the moment some new aspect of a familiar ballet. The Robbins works benefited from this kind of glow more than once this season.

"In the Night" took on new life, especially with the intense and lively rapport Maria Calegari and Alexander Prots gave the first section. The avian images of their duet took on a surrealistic aura — a pas de deux for uneasy lowbirds. By the same token, Adam Luders and Kyril Nichols, as well as Stephanie Saland and Otto Neubert in the

other duets, clarified again why a Robbins ballet always succeeds in its instant emotional impact. "Goldberg Variations" got an exhilarating performance in the first half. It was filled with spunk, especially from Jeffrey Edwards and Melinda Roy. Michael Byars was jaunty; Margaret Tracey was a light and heartless coquette.

Robert LaFosse, so reliable a dancer that he is taken for granted, and Doree Kistler gave a performance of a lifetime in the adagio of Robbins' "In G Major." They gave to the ballet the jazz-age romance that the blues-tinged music in Ravel's score so sleekly evokes.

It is easy to pay attention to the younger dancers, but it's the veterans (despite injuries) like Kyril Nichols, Merrill Ashley and Nichol Hlinka, newly promoted to principal rank, who assure the link to the standards that Balanchine set. Ib Andersen, threatened with a severe injury two years ago, regained top form; Kistler was at her peak.

A season like that can't be all that bad.

## LONDON THEATER

### Ibsen's Grand Dramatic Last Will

By Sheridan Morley  
International Herald Tribune

LONDON — It is a strong time for Ibsen in London, with "Peer Gynt" opening at the National this week and his last play, "When We Dead Awaken," now in a rare revival at the Almeida in Islington. Written at the very end of his life and first staged in 1900, when an early critic noted that it would always be far too large for its actors, this is undoubtedly Ibsen's final reckoning with himself. The egoist sculptor at its center is a senile mix of Brand and the Master Builder, coming to the horrified realization (on a mountaintop during an avalanche, no less) that, in forsaking his love for his work, he has in fact forsaken his life.

A chamber piece occasionally likened to Beethoven's last quartet, "When We Dead Awaken" has always been more honored on the page than the stage. Its last major British revival was at an Edinburgh Festival 20 years ago, and its fragmentary nature — at barely two hours it is only half the length of most earlier Ibsen — has usually defeated directors.

It is imperfect and unfinished as a play, but fascinating as a dramatic last will and testament, precisely because it faces all the problems of the earlier and more epic plays in miniature and distillation but still without researching any resolution other than the crushing of its central characters under several thousand feet of snow.

On the small fringe-theater stage of the Almeida I guess an avalanche would have been too much to hope for, but we do get London stage appearances of immense rarity by the great Norwegian actor Espen Skjoldberg, as the older sculptor, and by Claire Bloom as the former model returned to lead him to the grave. The quartet is completed by his young wife (Suzanne Burden) and the sex-hungry hunter (Miles Anderson) for whom she leaves him, but in the end a drama of regret and revenge hangs entirely on the central duet and here there are certain problems.

Nobody would question the classical Scandinavian grandeur of Skjoldberg, but away from his native tongue he desperately lacks the magical grandeur that the late Ralph Richardson might have brought to the



Claire Bloom

role, while Claire Bloom has all the ghostly beauty required for the ice maiden from his past but none of the rage or the revenge of a woman scorned.

As a result, the production is deeply respectful and academically fascinating but oddly lifeless, as if taking place in a theatrical museum rather than a theater. Against the totally white setting of Peter J. Davidson, Jonathan Kent's staging is almost as for the radio, with voices expected to carry all the drama and even the eventual avalanche only indicated by the gradual lowering of a curtain.

It is a brief evening of massive spent force, of earlier and greater plays recollected, if not in tranquility then at least in synopsis, and it is in the end about the spiritually dead becoming the actual dead. There is also, though, a sense here of Ibsen edging over

into Strindberg, of an angrier dramatist struggling to escape the great artifacts of his own past from his own monolithic art.

At the Man in the Moon theater in Chelsea, Corinne Jacker's "Breakfast, Lunch and Dinner" is a truly terrible one-act play, first seen at the Actors Studio in New York back in 1972 and now given a British stage premiere for no apparent reason in a production by Dave Bennett that is so laid back as to be almost horizontal. It does, however, introduce to the British stage an American actress called Priscilla Phillips who promises to be worth watching in happier and more professional surroundings.

At the Vaudeville, Michael Frayn has a new translation of Yuri Trifonov's "Exchange," first seen at the Taganka Theater in Moscow 15 years ago and still in the repertoire there despite various pre-glitter wildernesses. The city's first urban-angst contemporary hit, it concerns an oppressed husband selling out his soul for improved living conditions in an impossibly overcrowded housing market.

Beyond that, this is the story of the relative values and the shifting patterns of Moscow family life. Arriving late for his classical grandfather's funeral because he has been given an unexpected chance to join a queue for some pilchards, Marvin Jarvis is tortured, comforted here is a figure of such moral and spiritual confusion that he can hardly decide which way to walk down a street, let alone how to reconcile his opportunistic, upwardly-mobile wife's family with his own more traditional array of unreconstructed Soviet revolutionary workers.

A black comedy of corruption and shifting social patterns, "Exchange" has found in Frayn its perfect satirist interpreter, and the result is a rich and ripe collection of contemporary character studies still in need of stronger fabric to bind them together.

What is clear from the play, however, is that life in Moscow is hell not only for especially political reasons, but for all the matrimonial and real estate nightmares that will be familiar to any high-rise dweller in downtown Manhattan or Tokyo or the Barbican, and it is a considerable tribute to Martin Jarvis that he holds together a cast of 20 in Patrick Sandford's diffuse production by the sheer magnetism of his doomed, eager negotiator.

## MEDIA

### Tokyo TV: Heeere's Hiroshi!

By Kay Itoi  
International Herald Tribune

TOKYO — When Takao Fujinami, chief cabinet secretary under former Prime Minister Yasuhiro Nakasone in the early 1980s, decided to run for a legislative seat two months ago, he announced his candidacy by composing a haiku poem:

I'm climbing the mountain pass.  
Even if the snow is hard against me  
I'll make my way through.

Known as a man of culture, Fujinami had also been among those charged in the Recruit stock-trading scandal last year. But if poetry was a clever campaign tactic for a politician burdened with the taint of corruption, the final word went to Hiroshi Kume, a news anchor at TV Asahi in Tokyo.

"I hope he won't get lost," Kume commented on the air that evening, with a broad, irreverent smile.

TV Asahi's 75-minute "News Station," aired daily at 10 P.M., represents something

"When you try to be intelligible, you cannot help being straightforward."

of a revolution in Japanese newscasting. It is Japan's first successful late-evening format to incorporate a style as outspoken as Kume's. While critics assert that a newsmen should not offer personal opinions, 15 million viewers — the largest audience of any news program in Japan — appear to disagree.

"When something happens in Japan or elsewhere, people want to hear what Kume will say," said Toshio Fukuda, the program's producer.

Since "News Station" began in October 1985, the program has won a national following by consistently surprising Japanese television audiences. After a quiet six months, ratings rose dramatically. During the Philippines revolution in early 1986, they shot up 20 percent regularly and occasionally hit 30 percent.

From the start, producers and staff aimed for a completely new program that could be understood by viewers from junior high school students upward. They adopted colorful maps and a detailed interpretation of each story in plain language. And they adopted Hiroshi Kume.

At that point, Kume had never worked as a journalist. Rather, he spent 20 years as an emcee on entertainment and game shows, before joining TV Asahi. What he found at "News Station" was an irregular setup: Kume was the main personality, with two other newscasters, Etsuko Komiya and Ikki Kobayashi, to support him and to look at news from different viewpoints.



Hiroshi Kume (center), of TV Asahi, with co-anchors Etsuko Komiya (left) and Ikki Kobayashi.

"I don't consider myself a newscaster — I am merely emcee of the show," Kume said in an interview at his studio. "Given that it's a television show, it has to be entertaining."

That is an abrupt departure in the Japanese broadcast-news business. Since Japan's postwar years, television news programs have been almost entirely dominated by the style of the state-sponsored NHK network — dark blue suits, monotonous intonations and emotionless expressions.

At 45, aggressive, youthful, fashionably dressed and with bright-colored ties, Kume is different. And if he is not a newscaster, he is certainly an interviewer.

His method is based on a multitude of "why" questions, those viewers would like to ask themselves. "I don't use the prepared questionnaire," Kume said. "I think of the first question when I first see the person's face. Then I make up the second one from his answer to the first."

Although Kume "feels small," given the reputation "News Station" enjoys, his program is widely noted as playing an important role in the shaping of national opinion. "As a program with appreciable ratings, it certainly has an effect on the public," said Sadao Aoki, an author and television critic.

MOST visibly, many believe that last summer's upper-house legislative elections, which resulted in a major setback for the governing Liberal Democratic Party, were swayed by a series of features on "News Station," critical of an unpopular consumption tax the liberals had pushed through the Diet.

"I have never said the consumption tax

was bad except for the way it was introduced," Kume said. "When you try to be intelligible, you cannot help being straightforward. And when no one else is so, you look like a stand-out."

Reflecting the controversy that occasionally comes Kume's way, Toyota Motor Corporation dropped its sponsorship of the program last year, reportedly because Liberal Democratic officials were unhappy that one of the nation's leading manufacturers was sponsoring such a show.

Several Liberal Democratic leaders have recently appeared on "News Station," however, since the program's influence can no longer be overlooked. Among them were Kiichi Miyazawa, in his first media appearance since his resignation as finance minister in late 1988; former Foreign Minister Shintaro Abe, just before a politically important trip to Moscow in January; Ichiro Ozawa, the party's youthful secretary-general, and Shin Kanemaru, head of the largest party faction.

When Abe showed up, Kume asked him: "What made you accept this interview all of a sudden... you had turned us down so many times before?" Abe fumbled and gave no direct answer.

"That was not what you are supposed to ask a politician," Kume acknowledged. "The most important thing was that Abe is preparing to get back to the main stage. But I'm not a journalist who should somehow know not to ask such a question."

"I was a fearless amateur at the beginning," Kume said. "But with four years of experience now, I'm becoming more or less professional," he added, just a little as if he regretted it.

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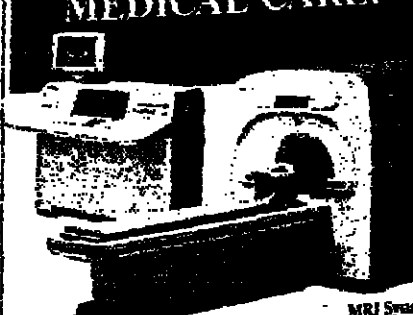
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WHO HELPS  
DOCTORS TODAY  
WITH TOMORROW'S  
MEDICAL CARE?



WE DO.

HITACHI

The name to remember in:  
Power Systems and Equipment  
Information and Communication Systems  
Consumer Products Electronic Devices  
Industrial Machinery and Plants

Hitachi is a leading manufacturer of medical equipment, including X-ray machines, CT scanners, and MRI systems. The company's products are used by doctors to diagnose and treat a wide range of medical conditions. Hitachi's commitment to research and development ensures that its equipment is always at the forefront of medical technology.

Hitachi's medical equipment is known for its reliability, accuracy, and ease of use. The company's products are used by doctors in hospitals, clinics, and research facilities around the world. Hitachi's commitment to customer service ensures that its clients receive the best possible support and training for their equipment.

Hitachi's medical equipment is designed to meet the needs of doctors and patients alike. The company's products are built to last and are easy to maintain. Hitachi's commitment to quality ensures that its equipment is always at the top of its class.

Hitachi's medical equipment is a testament to the company's commitment to innovation and excellence. The company's products are used by doctors to save lives and improve the quality of medical care. Hitachi's commitment to research and development ensures that its equipment is always at the forefront of medical technology.

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The Daily Source for  
International Investors





With a Panasonic in your office

**Panasonic**  
Office Automation

WEDNESDAY, FEBRUARY 28, 1990

you're leaving it in good hands

**Panasonic**  
Office Automation

**MEDIA MARKETS**

**Small Agencies Hook Up With Ad 'Matchmakers'**

By Randall Rothenberg  
New York Times Service

**NEW YORK** — "We're more like the old-fashioned agencies that have grown with their clients," says Jack Avrett. But even though his agency, Avrett, Free & Ginsberg, has resisted the acquisition offers that flow to small, successful package-goods agencies like congratulatory telegrams to newbies, Mr. Avrett and his colleagues have found another way to grow: Concord International.

Concord is one of several networks of advertising agencies from around the world that share creative and marketing philosophies, but not ownership.

These networks, based in Europe, act as matchmakers, referring one member agency's client to a member in another country, and allowing members to seek clients that may need international service that the individual agency could not supply on its own.

"The whole philosophy is that we can lead clients into new markets through agencies of quality and independence," said Stuart Grau, Avrett's vice president and director of new business development.

Avrett (the "A" is long, as in agency) has already benefited, albeit mildly, from its recent decision to join Concord. It has been invited into two agency reviews, for an Italian consumer-food company and for a European textile manufacturer. Each client wants to expand its marketing into the United States.

For advertisers, the affiliate network concept allows the creation of global brands that "have a common identity in every market" and require "consistent branding and communications" to appeal to international consumers, as the network's literature states.

While this is a rationale behind the formation of the large, multinational marketing conglomerates in recent years, "Concord is for clients who like smaller agencies and entrepreneurs," said Mr. Avrett, his agency's chairman.

In addition to Avrett, Concord's members include agencies in Belgium, France, West Germany, Britain, Italy, the Netherlands, Spain and Switzerland.

**SINCE ITS BIRTH** 19 years ago, Avrett has been known for slowly pushing the boundaries of packaged-goods advertising, gently drawing marketers of over-the-counter drugs and pet foods away from their traditional reliance on copy-heavy, visually exciting television ads.

"We've placed an enormous concentration on visual impact in categories not accustomed to it," said Frank Ginsberg, the agency's president and creative director.

Even though the agency does a lot of copy-testing, Mr. Ginsberg says frankly that such research does not work and foresees less use of it on behalf of packaged-goods advertisers in coming years.

For years, Avrett was known as the "chow, chow, chow" agency, after its 1973-74 commercials for Purina Cat Chow that helped popularize anthropomorphic animals as a marketing device.

Mr. Ginsberg also claims credit for introducing the pop music of the 1950s and '60s to mainstream advertising, with the agency's 1975 campaign for Nair depilatories that featured the tune "Who Wants Short Shorts?"

More recently, the 100-person agency, which bills about \$130 million annually, tried an unusual tack with its ads for Del Webb's Claridge Casino Hotel in Atlantic City.

Eschewing the glitz and glamour of most casino advertising, Avrett shot a quiet black-and-white commercial with an actor playing a high roller explaining why he prefers the Claridge.

"We turned their problems into strengths," Mr. Avrett said. "It's the smallest casino, so we positioned it as intimate."

**Economic View East: It's Bleak**

**OECD Is Cautious About Upheaval**

By Carl Gewirtz  
International Herald Tribune

**PARIS** — The economic and financial plight of Eastern Europe is deepening and will get worse before the political and economic changes sweeping the region produce tangible improvement, the Organization for Economic Cooperation and Development said Tuesday.

"The initial impact" of the region's financial position of the changes "has been mainly negative," the OECD said, "and further weakening seems likely before changes in economic structure can produce any tangible improvement."

The group's annual statement of the East European situation is contained in the February issue of its Financial Market Trends.

While stressing that the long-term effects of the changes represent a historic transformation that "will probably be beneficial and contribute to higher living standards in both the East and the West, the study noted that economic growth has been slow.

In addition, the report said that "the pattern of production is not meeting" the needs of the region, and that "the use of new technologies is inefficient" — resulting in a continued waste of resources and declining quality and supply of products. At the same time, inflationary pressures are intensifying.

Noting that the countries taken to date in all countries except Poland and Hungary are "on the verge" of radical reform, the report said "it is not clear that the region is moving toward the economic system of reforming the economic system to the concrete task of putting this objective into practice."

The most difficult task in moving from the conceptual target to actual implementation is the "sequencing" of the practical measures needed to reform the economic system, the OECD said.

Although the report does not elaborate on this point, the finding of what measures need to be taken first is a subject over which international experts and country officials are wrangling, delaying reform.

At issue are such questions as whether a macro-economic stabilization plan needs to be in place before privatization of industry begins; whether industry needs to be restructured before it is privatized; and whether trade should be liberalized before allowing free inflows of foreign capital.

The OECD also noted that one of the ironies of the reform process is that it has resulted in downgrading the area's credit standing, with Western lenders becoming increasingly cautious.

See EAST, Page 15

**Thrift Post Candidate Opts Not to Wait for Job Offer**

By Joel Glenn Brenner  
Washington Post Service

**WASHINGTON** — The leading candidate to replace M. Danny Wolf as America's chief savings and loan regulator has withdrawn his name from consideration, saying he was tired of waiting for the Treasury Department to take action on the appointment.

Frederick D. Wolf, the former No. 2 official at the General Accounting Office, had emerged earlier this month as the Treasury's choice to lead the Office of Thrift Supervision after a lengthy search, according to administration, congressional and industry sources.

But last week he notified the Treasury that he no longer wanted the job, dealing another setback to the administration's efforts to clean up the thrift industry.

In an interview this week, Mr. Wolf said he had waited more than two months for the Treasury to make a decision, and he was tired of it. In a letter to

Deputy Treasury Secretary John Robson, Mr. Wolf said he was removing his name from consideration because of the department's inaction.

"Since, after two months, you have been unable to reach a decision on this appointment, I can only conclude that either you do not share my view that an expeditious decision is important, or you are not able to conclude that I am the right person for the job," the letter stated.

However, industry sources said Mr. Wolf told them that he no longer wanted the job because he believed the Treasury would not give him enough discretion-making power to be effective.

The OIS was made an office of the Treasury Department by the thrift bailout legislation.

Mr. Wolf's decision to withdraw after discussing the job with Mr. Robson earlier this month, Mr. Wolf's decision comes only weeks after Deputy Treasury Secretary John Robson resigned as president of the Resolution Trust Corp. Oversight Board, the Cabinet-level panel created to see policy for the

\$64 billion bailout of the thrift industry. Mr. Robson also said he felt that the Treasury wanted too much control over his post.

Mr. Wolf, who has high credibility on Capitol Hill and a strong background on thrift issues, had been expected to win early Senate approval for the job.

Senators finding replacements for Mr. Wolf and Mr. Keating, the administration must fill two vacancies on the RFC Oversight Board, one seat on the board of the Federal Deposit Insurance Corp. and a number of openings on other lesser boards created to help administer the bailout law.

Representative Bruce Vento, a Minnesota Democrat who is on the House Banking Committee and chairs the task force overseeing the thrift bailout, on Monday criticized the administration for failing to implement the bill.

"Instead of appointing people to the job, the president, through the Department of the Treasury, is looking for people to exercise political damage control," Mr. Vento said.

**Tracing Britain's Boardroom Bugs**

**Takeover Fever Brings a Surge in Industrial Espionage**

Review

**LONDON** — Who put the bug in the boardroom? Industrial espionage is under surveillance in Britain following the discovery of a bugging device in the office of a British businessman.

The recent discovery has also raised questions about how widespread electronic surveillance is in the increasingly cutthroat business world.

Leading Properties PLC, a real estate investment firm, reported discovering a listening device in the office of a senior executive in mid-February.

Keeping on the up-to-date, the company has long been a priority for defense contractors and government agencies, but spying in British boardrooms was rare until recently.

Nicholas Vafiadis, technical director of Communications Audit Ltd., a subsidiary of the merchant bank Hambro, said the growing trend in Britain largely due to internationalization of the financial markets since 1987.

"With the growing number of international takeover battles, the temptation to gain additional intelligence on a company, regardless of the ethics, is a serious problem," Mr. Vafiadis wrote in an article published last year.

Long, which is involved in real estate investment and development in Britain and the United States, is trying to fend off a hostile takeover bid by Peninsula & Oriental Steam Navigation Co. and the real estate

company Chelfield PLC. The company did not suggest the listening device was connected with the bid and the bidders reported any suggestion of involvement.

Derogation of the financial markets with the Big Bang of 1987, the fierce competition that ensued and the boom in the use of electronics brought added security risks, his computer fund.

Mr. Vafiadis, whose firm provides consulting on security, believes the arrival of multinational firms on the London market eroded the City of London's business district's old code of honor, under which the established British companies operated.

"Whereas years ago you were dealing only with British firms, you are dealing with international companies and the real world is dirtier and nastier than the City used to be," Mr. Vafiadis said.

The best-known case of bugging related to a contested bid was in 1986, shortly after Woolworth Holdings, now Kingfisher, successfully defeated an offer by the electrical retailer

Dixons. It came to light when three men were convicted in 1988 of placing a bug found in a cookie box connected to the telephone line outside the home of a Woolworth director.

Mr. Vafiadis said companies are usually reluctant to publicize breaches of security and many cases, which



Michael Adams/STL

**Security Pacific Retreats From Europe Markets**

Review

**LOS ANGELES** — Security Pacific Bancorp., which is disentangling itself from its international network and from investment banking to focus on a U.S. expansion, plans to sell 51 percent of its Hoare Govett Ltd. unit to employees, Hoare Govett said Tuesday.

Security Pacific said that it was restructuring its international operations and creating a holding company, Security Pacific Alliance Ltd., to manage its investment banking and brokerage affiliates.

"We want to be a national bank," said Robert Smith, Security Pacific's chief executive officer.

Though Security Pacific, the fifth-largest U.S. bank holding company, intends to strengthen its North American operations, Mr. Smith said the company had decided against buying the troubled Bank of New England Corp. "We looked at it early on, and it seemed like there was an enormous amount of complex problems that were unreconcilable," he said.

While Security Pacific will maintain a presence overseas, Mr. Smith said that its enthusiasm, particularly for Europe, has waned considerably as those operations failed to provide a favorable return.

The shift in attitude is as much a sign of the times as it is indicative of the approach that has earned Security Pacific the reputation of being a trendsetter.

As London financial markets geared up for the Big Bang in 1986, Security Pacific swooped in and

purchased prestigious Hoare Govett Ltd., in the belief that investment banking was the next gold rush area.

But things went badly in the London markets, particularly after the stock market collapse of October 1987. "Clearly, if we had to do it over again, it would not have been done," Mr. Smith said.

The Hoare Govett spokeswoman said that detailed plans for the employee share-ownership plan had not been finalized. "A proposal will be put forward in mid-1990, but there is nothing concrete as yet," she said.

In addition to reducing its Hoare Govett stake from the current 100 percent, Security Pacific will reduce its holdings in Hoare Govett Asia to 49 percent from 100 percent. The company also will increase its holding in the Canadian brokerage firm of Burns Fry Ltd. to 49 percent from 30 percent.

Mr. Smith said Security Pacific will announce in April or May further details of how it plans to achieve the restructuring.

He added that Security Pacific should earn 7 to 10 percent more this year than it did in 1989, despite an estimated loss in Arizona of \$70 million.

Mr. Smith said he was happy with the company's presence in California, Washington and Arizona, but he is looking to expand in the Midwest, Southwest and on the East Coast. He said Colorado and Texas were two states in which Security Pacific was looking.

**SEC Opens Investments Abroad to Mutual Funds**

Compiled by Our Staff From Dispatches

**WASHINGTON** — Mutual funds will be allowed to purchase the securities of foreign banks and insurance companies, the U.S. Securities and Exchange Commission has unanimously ruled.

The SEC staff said the new rule was simply a reflection of the growth of a global securities market. Under federal securities law, mutual funds are not allowed to own more than a tiny percentage in the stock of other investment companies.

This rule was designed to limit the growth of so-called super-mutual funds, in which a mutual fund invests only in other funds.

Congress barred such funds, partially out of concern that redemptions by large shareholders in superfunds could have adverse effects on small investors.

The SEC staff said the securities of foreign banks and insurance companies were unintentionally included in this rule, passed in 1970, but that there had been no complaints until recently.

"It's just been a shoe that has been pinching investment companies since the foreign portfolio investment companies started to grow and become more popular," said Kathryn B. McGrath, the head of the SEC division of investment management.

The Investment Company Institute, a trade group for mutual funds, had argued in favor of the new rule, saying it would allow "greater flexibility" to portfolio managers of global, international and country funds.

The change in the rule was made Monday by a 3-0 vote of the commission. There are currently two vacancies on the regulatory body.

Ms. McGrath said that her division was working on rules to allow foreign banks and insurance companies to sell their shares in the United States.

Mutual funds pool the money of many investors, cutting an individual's exposure to risk in any one stock in exchange for a management fee. Mutual fund managers then make the major buy and sell decisions, controlling one diverse basket of stocks for a bigger group of investors.

The mutual fund industry has boomed in recent years as investors eager to participate in the financial boom grew wary of the risks involved.

More recently, the funds have wanted to place their money in not just U.S. businesses but in countries and foreign companies with high growth potential. (NYT, Reuters)

**CURRENCY RATES**

Cross Rates	Feb. 27	Feb. 28
Australian dollar	1.3625	1.3625
Canadian dollar	0.7125	0.7125
Deutsche mark	1.5375	1.5375
French franc	6.5500	6.5500
Italian lira	1.9360	1.9360
Japanese yen	163.60	163.60
Netherlands guilder	2.2037	2.2037
Swiss franc	1.4833	1.4833
British pound	1.6460	1.6460
Spanish peseta	166.64	166.64
Portuguese escudo	200.48	200.48
Belgian franc	36.363	36.363
Irish pound	7.8756	7.8756
Israeli sheqel	1.8033	1.8033
South African rand	1.6694	1.6694
South Korean won	177.80	177.80
Thai baht	54.80	54.80
Indonesian rupiah	1,576.00	1,576.00
Singapore dollar	1.3625	1.3625
Malaysian ringgit	2.3360	2.3360
Philippine peso	49.650	49.650
Chinese yuan	8.2750	8.2750
Japanese yen	163.60	163.60
U.S. dollar	1.0000	1.0000

Source: Reuters. All rates are for U.S. dollars. All rates are for U.S. dollars. All rates are for U.S. dollars.

Other Dollar Values

Currency	Per \$	Per 100	Per 1000
Australian dollar	0.7325	73.25	7325
Canadian dollar	0.7125	71.25	7125
Deutsche mark	0.6375	63.75	6375
French franc	0.15375	15.375	1537.5
Italian lira	0.00518	0.518	51.8
Japanese yen	0.00610	0.610	61.0
Netherlands guilder	0.00454	0.454	45.4
Swiss franc	0.00676	0.676	67.6
British pound	0.6078	60.78	6078
Spanish peseta	0.00600	0.600	60.0
Portuguese escudo	0.00496	0.496	49.6
Belgian franc	0.0270	2.70	270
Irish pound	0.1270	12.70	1270
Israeli sheqel	0.5545	55.45	5545
South African rand	0.5998	59.98	5998
South Korean won	0.00575	0.575	57.5
Thai baht	0.01825	1.825	182.5
Indonesian rupiah	0.00063	0.063	6.3
Singapore dollar	0.7325	73.25	7325
Malaysian ringgit	0.4281	42.81	4281
Philippine peso	0.02012	2.012	201.2
Chinese yuan	0.12136	12.136	1213.6

Source: Reuters. All rates are for U.S. dollars. All rates are for U.S. dollars. All rates are for U.S. dollars.

**INTEREST RATES**

Eurocurrency Deposits	Feb. 27	Feb. 28
1 month	5.75%	5.75%
3 months	5.50%	5.50%
6 months	5.25%	5.25%
1 year	5.00%	5.00%
2 year	4.75%	4.75%
3 year	4.50%	4.50%
4 year	4.25%	4.25%
5 year	4.00%	4.00%
10 year	3.75%	3.75%
15 year	3.50%	3.50%
20 year	3.25%	3.25%
25 year	3.00%	3.00%
30 year	2.75%	2.75%
35 year	2.50%	2.50%
40 year	2.25%	2.25%
45 year	2.00%	2.00%
50 year	1.75%	1.75%
55 year	1.50%	1.50%
60 year	1.25%	1.25%
65 year	1.00%	1.00%
70 year	0.75%	0.75%
75 year	0.50%	0.50%
80 year	0.25%	0.25%
85 year	0.00%	0.00%
90 year	0.00%	0.00%
95 year	0.00%	0.00%
100 year	0.00%	0.00%

Source: Reuters. All rates are for U.S. dollars. All rates are for U.S. dollars. All rates are for U.S. dollars.

Key Money Rates

Currency	Per \$	Per 100	Per 1000
Australian dollar	0.7325	73.25	7325
Canadian dollar	0.7125	71.25	7125
Deutsche mark	0.6375	63.75	6375
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Indonesian rupiah	0.00063	0.063	6.3
Singapore dollar	0.7325	73.25	7325
Malaysian ringgit	0.4281	42.81	4281
Philippine peso	0.02012	2.012	201.2
Chinese yuan	0.12136	12.136	1213.6

Source: Reuters. All rates are for U.S. dollars. All rates are for U.S. dollars. All rates are for U.S. dollars.

Asian Dollar Deposits

Currency	Per \$	Per 100	Per 1000
Australian dollar	0.7325	73.25	7325
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Israeli sheqel	0.5545	55.45	5545
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Portuguese escudo	0.00496	0.496	49.6
Belgian franc	0.0270	2.70	270
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## Unilever Profit Up 24% But Rates Dim Outlook

Compiled by Our Staff From Dispatches

**LONDON** — Unilever Group, the Dutch food, cosmetics and soap giant, reported on Tuesday that its profit in 1989 rose 24 percent on strong sales, but expressed caution on prospects this year because of high interest rates.

Unilever announced a combined fourth-quarter profit of \$431 million, up from \$377 million in the same 1988 period. The 1989 pretax profit was \$1.8 billion, from \$1.45 billion in 1988. The group's British and Dutch food divisions reported separate results.

The result was slightly above most analysts' estimates, and Unilever NV shares closed 1.10 guilders higher, at 139.80 guilders (\$73.60), on the Amsterdam stock exchange.

The group's British co-chairman, Sir Michael Angus, said the rise in earnings was helped by the fall in the value of the pound and a 10 percent rise in sales — a 4 percent increase from existing business and the rest from recent acquisitions and disposals.

The Dutch co-chairman, Floris Mahjers, expressed concern over the effect of high interest rates on prospects for 1990. "I'm not pessimistic about 1990," he said, "but I'm less optimistic than last year."

Unilever launched a major expansion last year with purchases of the cosmetics and toiletries businesses

of Fabergé Inc. of the United States, including Elizabeth Arden.

Food products provided the bulk of sales of \$3.39 billion, compared with \$4.49 billion in 1988.

Mr. Mahjers said that despite high financing costs, he did not rule out further large-scale acquisitions in 1990, and said he hoped to strengthen Unilever's foothold in East European markets.

Unilever spent \$5.8 billion in 1989 on acquiring a total of 55 interests, including the Fabergé and Calvin Klein brands.

"We are seeking small to medium takeover targets, but we don't rule out a move if a larger firm were to become available," he said.

The company, which has a major presence in edible fats business, noted a continued decline in total fat consumption as well as a growing demand in Europe for high-quality fats with nutritional benefits.

It said this offered more opportunities for products with a polyunsaturated or low-fat content. (Reuters, AP, AFP)

### STC Lifts Earnings

The electronics concern STC PLC boosted 1989 pretax profit by 21 percent, to £278 million, from £230 million the year before. Sales grew to £2.61 billion from £2.36 billion. The company said measures already taken to improve efficiency offset less-favorable trading conditions.

## Swedish Prices Surge As Larsson Steps In

Compiled by Our Staff From Dispatches

**STOCKHOLM** — Sweden reported Tuesday that consumer prices surged 3.2 percent in January, shocking economists, as the country's new finance minister, Allan Larsson, vowed to dampen demand and ease the country's labor shortage.

The January jump in prices compared with a 0.4 percent rise in December and a 1.3 percent gain in January 1989, and was the highest monthly increase since January 1980, the Central Bureau of Statistics said.

Economists said the inflation news was worse than expected and showed the need for more belt-tightening measures.

"The markets can hardly be expected to calm down in the near future after this piece of news," said Hubert Fromlet, chief economist at Sparbankernas Bank in Stockholm. The government's latest package of economic measures "is not enough," he added.

"I will see to it that we stimulate the supply of labor as much as possible and tighten the economy as much as necessary," Mr. Larsson said. He added, "We will again scrutinize the state budget to see what further measures are needed to... dampen demand."

Mr. Larsson, a former head of Sweden's Labor Market Board, will continue the free-market policies of his predecessor Kjell-Olof Feldt. Prime Minister Ingvar Carlsson said Mr. Larsson resigned 12 days ago but was reappointed by Parliament on Monday.

Business analysts called Mr. Larsson "an ideal choice" for the task of reversing years of rising inflation and stagnant growth, threatening the exports that have made Sweden wealthy.

Mr. Carlsson triggered a political crisis by resigning after the legislature voted down his original economic austerity package, which outraged Sweden's powerful unions by including a two-year strike ban and a wage-price freeze. He was asked to form a new government last week after softening the package and securing support from the Communist Party.

The statistics office said the year-on-year increase in inflation was 8.8 percent in January, against December's 6.7 percent. Economists will now revise their 1990 forecasts.

"We had been looking at 1990 inflation of about 8.5 percent to 9.0 percent," said Dag Lindskog at Sparbankernas Bank, "but it now looks as if it could rise to even 10 percent." (Reuters, AP, AFP)

## Montedison Wins Round on Enimont

Compiled by Our Staff From Dispatches

**MILAN** — Montedison SpA moved a step closer to gaining control of the chemicals joint venture Enimont SpA on Tuesday, when it forced the suspension of a shareholders meeting that was to vote on expanding the company's board.

The maneuver means that the meeting will now be held in a second session Wednesday, when Montedison will need only 51 percent of the shareholders' votes to pass the motion. At Tuesday's meeting, 65 percent was needed.

Private-sector Montedison, which holds 40 percent of Enimont and appoints five board members, is locked in a power struggle for control of Enimont with state-owned Ente Nazionale Idrocarburi, which also owns an equal stake and board representation. The remaining shares are publicly traded, but last week investors allied with Montedison's chairman, Raul Gardini, purchased 10.2 percent of Enimont.

Mr. Gardini wants to expand the board to 12 from the current 10, adding two representatives of the minority shareholders. If he succeeds, he will have effective control of the venture, one of the world's top 10 chemicals companies.

Mr. Gardini's allies include Prudential-Bache Securities of the United States, the Italian financier Gianni Varsa and the investment company of Jean-Marc Vernes, chairman of Beghin-Sav SA, which like Montedison is controlled by Mr. Gardini's Ferruzzi Group.

Montedison sent three of its five board representatives to the meeting Tuesday, but they did not deposit the company's votes, which represent 40 percent of Enimont's shares, a spokesman said.

Enimont's chairman, Lorenzo Necci, said that only 45.12 percent of shareholders were represented on Tuesday, falling short of the 65 percent needed for a quorum.

Relations between the two partners hit a new low on Monday when Carlo Sama, a senior aide to Mr. Gardini, called for Mr. Necci's resignation.

Prime Minister Giulio Andreotti and other senior ministers discussed Enimont at a meeting in Rome Tuesday, but Cabinet Secretary Nino Cristoforo told reporters that there seemed to be little chance of reaching a compromise. (Reuters, AFP)

### Investor's Europe

Frankfurt Commerzbank London F.T. 100 Index Paris C.A.C. 40

2000 2500 2000 2500 2000 2500

1989 1989 1989 1989 1989 1989

Exchange Index Tuesday Close Prev. Close % Change

Amsterdam CBS General 106.50 104.60 +1.82

Brussels Stock Index 5619.40 5589.16 +0.92

Frankfurt Commerzbank 2194.90 2161.40 +1.55

Frankfurt DAX 1804.32 1776.04 +1.59

Helsinki UNITAS 651.60 652.00 -0.06

London Financial Times 30 1781.50 1776.10 +0.30

London FT-SE 100 2254.80 2249.30 -0.24

Madrid General Index 272.61 270.88 +0.71

Milan MIB 849 841 +0.85

Paris CAC 40 1825.38 1804.10 +1.18

Stockholm Alfastraeriden 1149.70 1127.40 +1.96

Zurich SBS 641.40 634.40 +1.10

Sources: AFP International Herald Tribune

## U.S.-Made Honda Car To Be Sold in Europe

By James Risen

Los Angeles Times Service

**DETROIT** — Honda Motor Co., which already exports thousands of U.S.-built cars to Japan, plans to become the first Japanese automaker to export U.S.-made cars to Europe.

The company's president, Tadashi Kume, said in Detroit on Monday that, beginning as early as next year, Honda will export the Accord station wagon from its plant in Marysville, Ohio, to Europe. Production of the wagon, which is still under development, is to begin this fall.

Honda's announcement is likely to intensify a three-way trade controversy, involving Japan, the United States and the European Community, over how the EC will treat U.S. imports that are made in factories owned and operated by Japanese corporations.

In an effort to skirt such EC restrictions that may be imposed on imports directly from Japan following European economic unification in 1992, many Japanese companies hope to export from their new U.S. plants instead.

But EC officials, fearful that the Japanese will come to dominate the European car market as they have the U.S. market, oppose such transshipments from America. In fact, as Mr. Kume was making his announcement, French officials held another press conference in Detroit to denounce Honda's plans.

Further complicating the debate are the increasingly tangled alliances between the major Japanese and American automakers. For instance, Ford now exports its sporty Probe from the United States to Switzerland, yet it is built at the Mazda plant in Michigan that makes Mazda cars sold in the United States and Taiwan.

## East German Firm In Belgian Venture

Reuters

**OSLO** — AHB-Chemie, an East German chemical maker, and Dyno Industrier, a Norwegian chemical and explosives maker, said Tuesday they had agreed to invest \$15 million each to build a glue factory in Belgium.

Each company will own half of the factory in Ghent, north of Brussels. The plant, which will make glue for wood particle boards used in the construction industry, is to start production in mid-1991.

Dyno is to close its Dutch glue factory in Sluiswijk, while AHB-Chemie is to halt exports to Belgium. A Dyno spokesman said the new plant was aiming for a 35 percent share of the Belgian market, with the rest to be sold in France.

### WORLD STOCKS IN REVIEW

IN THE HIT EVERY MONDAY A COMPREHENSIVE OVERVIEW OF TRADING ON MAJOR WORLD STOCK MARKETS DURING THE PREVIOUS WEEK AND A LOOK AT LIKELY DEVELOPMENTS AHEAD. ESSENTIAL READING FOR INVESTORS AND PROFESSIONALS — WORLDWIDE

## Bull Moved Back to a Loss in 1989

Reuters

**PARIS** — A slowdown in the world computer market pushed stock-owned Compagnie des Machines Bull back into the red in 1989, but the group chairman, Francis Lorenz, said on Tuesday that he expected the French company to return to a modest profit this year.

"We are not expecting the market to take off again," Mr. Lorenz told a news conference, but "we should have a modest profit in 1990."

The company posted a loss of 267 million francs (\$46.7 million) for 1989, compared with a profit of 203 million francs a year earlier. Bull cited restructuring charges of 405 million francs, incurred as the

group reorganized to face its foreign rivals, for the loss.

The company's financial director, Jean-Louis Coppens, put the disappointing 1989 performance in the context of a recent worldwide downturn computer makers' earnings. "Bull has not escaped this phenomenon," he said.

Mr. Lorenz said that sales in France had been particularly hard hit by foreign competition, notably American firms seeking to stake out a place in the European Community ahead of the single market after 1992.

Last month Bull announced deep cuts in its French workforce in an attempt to improve the situation. It said it would lay off 1,200 of its 18,500 French employees.

The group, which last year bought Smith Data Systems of the United States, also said that it expected a dispute with Zenith's parent over the purchase price for the unit to be settled within weeks.

It said the price would be about \$500 million, compared with the \$635 million Bull said it would pay in October.

Bull revised the figure downward when Zenith's stock fell later in the year, and in December paid \$496.4 million for Zenith, which accused Bull of violating the original contract.

Bull, which was nationalized by France's Socialist government in 1983, had steadily recovered from heavy losses in the early 1980s before slipping back into the red.

## Yugoslav Trades Resume

Reuters

**BELGRADE** — Trading occurred Tuesday on a Yugoslavian stock exchange for the first time since World War II, but only four dealers showed up. Still, some securities changed hands, which was more action than the bourse showed on Monday, its first day.

The Yugoslav Capital Market opened in a small room on the ninth floor of a Belgrade office block. It is part of an effort by the government to revive Yugoslavia's shattered economy after more than four decades of communist rule.

Trade was restricted to Treasury bonds issued by the government of Serbia, Yugoslavia's biggest republic, and so far only four banks have permission to operate on the exchange. Four more are keen to do so.

The 12-year Treasury bonds offered on Tuesday carried an annual interest rate of 8 percent to 10 percent, said Branislav Cosic, deputy director of the exchange.

Dealers shouted over a table and prices were written on a blackboard in chalk — no electronic screens were used. The volume of trading reached only 250,000 dinars (\$21,000), but the Belgrade exchange declared its first day of activity a success.

Mr. Cosic said he hopes dealing in stocks and shares in Yugoslav companies would start "very soon" but declined to say when. Trade in shares of large foreign companies is a long-term aim.

## EAST: OECD Sees Worsening Plight for the Region

(Continued from first finance page)

ingly cautious and demanding higher charges for new credits.

"Everywhere the stable political system with effective social control is becoming more liberalized, more open and more volatile. While this change is plainly welcome on political grounds, it directly undermines some basic assumptions about dealing with Eastern Europe."

particularly for Western commercial banks, who previously prized the area as a political and economic bloc with stable, centralized decision-making structures.

The confidence of creditors is crucial for an area that is as heavily indebted as Eastern Europe is.

The OECD said that there is a danger that "the rapid changes now taking place in the region could convince the financial markets that a widespread loss of political and economic control on the part of the authorities is a serious risk."

The region's external debt, reflecting a trade deficit and outflows for services and interest payments, has been rising sharply. The study estimates that gross debt in convertible currencies last year rose 21 percent in Czechoslovakia, to \$6.9 billion; 20 percent in Bulgaria, to \$9.5 billion; 19 percent in Hun-

gary, to \$20.6 billion; and 18 percent in the Soviet Union, to \$48 billion.

Net debt, after including the run-down in the deposits these countries have with Western banks, rose even more sharply: by 34 percent in Bulgaria; 33 percent in Czechoslovakia; 28 percent in the Soviet Union; and 21 percent in Hungary.

Poland, with a 5 percent increase in gross debt to \$41 billion last year, is still the country with the heaviest debt relative to its capacity to service it. The debt load is comparable to the most heavily indebted countries of Latin America, and the government is unable to service it. Net interest payments alone are estimated to eat up 49 percent of the country's income from exports.

The burdens on Bulgaria and Hungary are "manageable," the report said, but at levels where "the debt cannot be increased significantly."

### Bull Bearings Help SKF

Reuters

**STOCKHOLM** — AB SKF said that strong demand for ball bearings helped to boost 1989 profit 63 percent, to 2.47 billion Swedish kronor (\$404.5 million) after net financial items, from 1.52 billion kronor in 1988.

cantly." The need to prevent any further rise "may be a constraint on domestic growth."

Czechoslovakia, East Germany, the Soviet Union and Romania have "light to moderate debt burdens" and can envisage further increases as part of a medium-term growth strategy.

The study noted that "prospects of economic reform in Czechoslovakia are among the most promising within the region."

East Germany, whose financial situation "is reasonably sound," is estimated to carry a gross debt of \$21.2 billion and a net debt of \$11.26 billion.

Romania, impoverished by the policy of the government of Nicolae Ceausescu of repaying foreign debt, has virtually no debt outstanding: \$1 billion in gross debt and a \$60 million surplus if its deposits with foreign banks are included.

"For the time being," the OECD said, "most East European countries remain viable borrowers in international markets."

It added that "a judicious combination of controlled adjustment policies in Eastern Europe and well-considered Western support," the profound economic and political change underway "can be managed."

## DG Bank Says Brokerages Had A Role in Fraud

Agence France-Press

**FRANKFURT** — DG Bank, in dispute with several French banks over bond dealings worth billions of dollars, said Tuesday that it believed it had been the victim of a fraud by an employee and the staff of two securities houses.

Deutsche Genossenschaftsbank officials told a news conference that they had filed a suit against a former employee, Friedrich Stiel, and had filed a fraud suit against unnamed persons.

The DG Bank officials also said that the bank suspected employees of the Frankfurt securities house EDD and the French securities house Vie & Co. may have been implicated in the affair.

Mr. Stiel, the former head of DG's bond department, was fired a month ago. A West German Interior Ministry official said Tuesday that police were investigating Mr. Stiel and two others on suspicion of abuse of confidence.

The fraud was believed to have begun in 1987, DG Bank said.

## NYSE Tuesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. (Via The Associated Press)

(Continued)

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## SPORTS

## When Money Dictates to Sport, It's Time to Change

International Herald Tribune

LONDON — João Havelange's pronouncement that soccer should be divided to suit American television quarters follows the script.

There are some who would happily quarter him. Some who dismiss his words as senility. Some who laugh it off. And some who, knowing how much this autocratic ruler gets his way, fear the sellout to TV may be already rolling.

Me? I agree with him, though not in the way he would like. Change is long overdue. When a president elected to serve and protect sport advocates something so contrary to its basic spirit, it is time to change him.

Havelange has ruled FIFA, soccer's world governing body, since 1974. He has, by FIFA's own reckoning, transformed it from a game into a commercial venture dependent on a triangle of sport, TV and advertising.

His vision of 1994, when the United States hosts the World Cup finals, was given to the O Globo newspaper in Brazil last Sunday.

Presumably, since he spoke in his own land and language, the FIFA secretary is not about to accuse yet another newspaper of misinterpreting the great man's words.

But Havelange distorts the priority of sport. It is not primarily to serve TV or advertisers, or to profit from the triangle.

Even the Dutch — who coined the saying "football is business, and business is

business" — cannot believe Havelange is serious. One journal, *De Telegraaf*, wrote up his Sunday interview as an April Fool's Day spoof.

This president is not given to humor. "Soccer," he was quoted as saying, "is extremely professional and as such should seek all means of increasing revenues. It's important for the growth of the sport."

No Sir. "All means" are not acceptable. There are means that warp the purpose of sport just as the winner-take-all ethic destroys the essence of play.

Growth-at-any-price quickly burns itself out. Such capitulation to U.S. television would not give international soccer a second century.

Soccer, unlike American sports, is a game of uninterrupted action around one half-time break. FIFA's other 165 member nations cope with it very well.

America is a welcome beginner, but the way forward is to convince the newcomers of the game's virtues, not abandon values at the rustle of dollars.

The strength of soccer is its perpetual motion. It is like two back-to-back mini marathons in which teams try to get their opponents against the "wall" of exhaustion.

Those who know it well appreciate the cunning — especially the Latins — to lure an opponent into a set rhythm and then lunge into surprise attacks.

National characteristics come into play: Englishmen go at it with the stamina of

field commandos; Italians unwind slowly like a flower harboring hidden poison. And Brazilians decorate the play with the show of peacocks. Physically and psychologically, the effort is timed for 90 minutes in two halves.

Four quarters? Why not eight or 16? Why not time-outs at every corner kick or throw in?

I would remind Havelange of these words, in FIFA's own magazine three years ago:

ROB HUGHES

Some things warp the purpose of sport just as the winner-take-all ethic destroys the essence of play.

ago: "FIFA Counting on continuity and equality."

That was the headline above the announcement that FIFA had sold the broadcasting rights for three World Cups, to 1998, for \$40 million Swiss francs.

The consortium was buying soccer as it is now played, not some stop-go pretender packaged around advertisements.

Havelange did not appear to have taken his TV partners into his confidence before bowing to the American dream. But maybe

the words are no more than the musings of a distracted septagenarian whose chronic back pain and understandable urge to spend time with his grandchildren are distancing him from the role he once played.

Anyone with eyes to see and ears to hear knows that, instead of Havelange charging around 120 countries a year as he once did, the real decisions and announcements of FIFA these days come from his Swiss lieutenant, the general secretary, Sepp Blatter, in Zurich.

The proper course might be for Havelange to retire gracefully and Blatter to seek a true mandate for the presidency. The signs are that it will not happen and their duet will run and run.

Speaking of running, the real vision of Havelange's initial surge to power was his open door to the Third World.

His expansion of the World Cup finals to 24 teams and 52 games has yet to find a formula that stimulates major teams early on. But massive is the compensation of seeing Africans and Asians bring freshness and surprise.

African players may exasperate European coaches trying to make their teamwork conform, but what thrilling individuality they display.

The World Cup finals this summer in Italy could have no more appropriate beginning than the World champion, Argentina, versus the African champion, Cameroon.

To what our appetite, Cameroon will

spend March 2-16 in Algeria defending its African crown against seven finalists on its own continent.

Indeed, Cameroon's "Indomitable Lions" have a spectacular opener in the 40,000-seat Amnaba stadium on Saturday against Zambia.

The Zambians mesmerized us during the 1988 Olympics in South Korea when Kalusha Bwalya's astonishing long-range shooting, with left foot and right, crushed Italy, 4-0.

Kalusha came from the copper belt and, after joining a Belgian team, Cercle Bruges, three years earlier, transferred to the Dutch champion, PSV Eindhoven.

Cameroon, having lost Africa's favorite striker, Roger Milla, to retirement, has a replacement, François Omam Biyick, whose tall, slender, whip-fast frame earns his keep with Laval of France.

In Europe, they learn European methods; at "home" they revert to instinct, which, thankfully, all the world's coaches cannot totally suppress.

Watch them if you can. Watch also Yussouf Fofana (Ivory Coast and Morocco), Peter Dawo (Kenya and Gor Mahia) and Jules Bocandé (Senegal and Nice).

I hope their European teams release them for the African Cup.

I hope they perform without inhibition. And I hope that having paved the way for them, Dr. Havelange has second thoughts about spoiling the game we all follow.

Rob Hughes is on the staff of the Sunday Times.

## SIDELINES

## Rust, Steelers' Defensive Boss, Is Named Head Coach of Patriots

FOXBORO, Massachusetts (AP) — Rod Rust, the Pittsburgh Steelers' defensive coordinator, on Tuesday was named the new head coach of the New England Patriots, succeeding Raymond Berry, who was fired Monday after 5½ years in the job.

Rust, 61, has been a National Football League assistant for 14 seasons, the last two as defensive coordinator at Kansas City and Pittsburgh, but never a head coach. He was the defensive coordinator for New England from 1983 through 1987.

Berry, the only coach to take the Patriots to the Super Bowl, was fired Monday because of what Pat Sullivan, the general manager, called "deep philosophical differences" about how the Patriots could be improved.

## Italy Bans 55 From Soccer Stadiums

MILAN (AP) — Milan's police chief Tuesday announced the banning of 55 fans from all Italian stadiums for at least four months as part of a crackdown on soccer-related violence prior to the World Cup finals.

Umberto Lucchese said the ban could be extended to up to 500 people and will last through the end of World Cup games, scheduled in Italy from June 8 to July 8. Police sources indicated that those banned included supporters of the Milan team Internazionale who displayed Nazi slogans during a game against Napoli last Sunday.

Lucchese said the fans were identified through television film and will be checked at their homes during game times.

## New Zealand Yacht Leads Whitbread

PUNTA DEL ESTE, Uruguay (AP) — After a race of 6,255 miles (10,008 kilometers), Steinlager 2 finished minutes ahead of its fellow New Zealand yacht, Fisher and Paykel, on Monday to capture the fourth leg of the Fifth Whitbread Around the World Race.

Steinlager 2 also won the first three legs of the race.

## Murdoch Plans New Racing Paper

NEW YORK (Reuters) — The Daily Racing Form has hired a spin-off — a new racing paper designed to woo bettors who do not know that much about horses.

Rupert Murdoch's U.S. subsidiary, News America Publications Inc., said it will launch Metro Turf, a tabloid racing paper for New York bettors, on March 7. Metro Turf will draw on the Racing Form's huge data base and present it in a more eye-catching manner for those people who like to bet but are confused by the Form's plethora of figures.

## For the Record

A New Jersey businessman, Robert D. Kramer, says he loaned up to \$21,000 to a former N.C. State basketball player, Charles Shuckling, during the 1987-88 season but didn't think he did anything wrong. University officials will meet this week with National Collegiate Athletic Association investigators to discuss the payments.

Passaic, after spending about \$500,000 annually for the Milliken Games in New York, will not renew its sponsorship, leaving the track and field meet without financial assistance.

Freddie Kilgus, the African heavyweight boxing champion from Zimbabwe, was barred from a bout in London when he refused to reveal the results of a mandatory AIDS test, officials said. Kilgus said he was free of AIDS and chose not to fight because he was sick.

West German soccer players will receive bonuses from 20,000 Deutsche marks (\$12,000) for making the final 16 at the World Cup finals in Italy this summer to 125,000 marks (\$73,000) if they win the title.

## Quotable

• Governor William Schaefer of Maryland, in a letter to Fay Vincent, the commissioner of baseball, and warning negotiations as talks broke off: "This continuing dispute is a national disgrace. ... Baseball is too important to our country — both economically and culturally — to allow this to drag on."

## Royal and Ancient Picks Turnberry for 1994 British Open

The Associated Press

ST. ANDREWS, Scotland — Turnberry, the scene of one of golf's greatest duels, has been selected to host the 1994 British Open.

The Royal and Ancient Golf Club of St. Andrews said the Ailsa course on Scotland's west coast would stage its third open from July 14-17.

The first time the open was held at Turnberry, in 1977, Americans Jack Nicklaus and Tom Watson shot identical rounds of 68-70-65 over the first 54 holes. Nicklaus birdied the 18th hole of the final round for a 66, but Watson won the tournament by one stroke, birdying the 17th and 18th for a 65.

The open returned to Turnberry in 1986.

## Jordan Is Seeking New Role With Men's Tennis

By Robin Finn

New York Times Service

NEW YORK — Hamilton Jordan's days are numbered as the chief executive officer of the Association of Tennis Professionals Tour, but he is not complaining.

Jordan, who has come under verbal attack lately from John McEnroe and Ivan Lendl, confirmed that he was vacating his position and would move into a role as chairman of the board as soon as an appropriate successor is found.

Jordan, the former White House chief of staff and architect of the ATP's transformation from a player union to sole administrator of the men's tour, said "it's no secret" that he wanted a change. Jordan added, however, that his switch in jobs was in no way predicated by the remarks from McEnroe and Lendl.

"It certainly has nothing to do with these guys hopping on me," he said.

In Toronto earlier this month, McEnroe chided Jordan for non-visibility on the tour and described him as a politician who knew nothing about tennis and was insensitive to player concerns.

Lendl, while describing the tour's problems as "fixable," suggested Peter Ueberroth for Jordan's spot.

Jordan said he informed the ATP's board last May at a meeting in Düsseldorf, that he was not interested in their proposal of a long-term contract as the chief executive officer.

Jordan's current agreement expires in June 1992 and he said he intended to honor it but would take advantage of a clause that allowed him to convert to "an active chairman of the board."

Jordan's heir apparent could be installed as early as next month and likely will be a businessman with a tennis background.

Henry de Montebello, managing

director of Russell Reynolds Associates Inc., the same headhunting company that recommended Jordan for the ATP position three years ago, said the search for Jordan's successor began in November 1989 and has yielded four finalists whom he declined to identify.

The final candidate must be acceptable to a board that includes three player representatives, three tournament director representatives and Jordan.

Up in Smoke

The women's tennis tour, now under the umbrella sponsorship of Kraft Foods, did not take kindly to critical remarks last week from the U.S. Health and Human Services secretary, Louis W. Sullivan, who denounced tobacco companies that sponsor sports events and urged athletes to boycott such sponsorship.

Philip Morris Cos. Inc., for 20 years the supporting sponsor of the Virginia Slims tour, continues to

supply the tour's ranking system and sponsors 13 tournaments in the United States.

Martina Navratilova said she had no qualms about supporting Philip Morris because she believed there would not have been a viable women's tour without the company's input.

"I'm thankful they were there when nobody wanted women's tennis, nobody cared about women's tennis, nobody came to watch, nobody wrote about it," she said.

"Smoking is something that is legal, and we are not telling people to smoke more," Navratilova said.

Not so ironically, the International Tennis Hall of Fame recently elected Joseph Cullman 3d, a former Philip Morris chief executive officer and the chairman emeritus of its board, to membership.

"I don't think tennis ever made anyone pick up a cigarette," Cullman said during his acceptance speech.

## Joint Everest Climb Is Planned by U.S., Chinese and Soviets

United Press International

BEIJING — Climbers from the Soviet Union, China and the United States leave this week for Tibet to begin the first joint expedition by the three nations to Mount Everest, organizers said Tuesday.

The team, dedicating the venture to world peace and the environment, hopes to climax its moment on the summit with live television broadcasts and telephone calls to President George Bush and Mikhail Gorbachev.

Jim Whitaker, the veteran American climber, launched the idea.

The 46-member team will consist of 12 Soviets, 17 Americans and 17 Chinese. They hope to make a summit assault on April 22.

## BOOKS

## THE UNIVERSITY: An Owner's Manual

By Henry Rosovsky. 309 pages. \$19.95. W. W. Norton & Co., 500 Fifth Avenue, New York, N. Y. 10110.

Reviewed by James O. Freedman

FROM 1973 to 1984, Henry Rosovsky was dean of the faculty of arts and sciences at Harvard. During that period he initiated an important discussion, with national ramifications, that led to the adoption of Harvard's celebrated Core Curriculum. Having stepped down from the deanship, Rosovsky has written a manual for all those who claim to "own" a university: students, faculty members, administrators, trustees, alumni, donors, foundations, legislatures, the press. The result, in a word, is superb.

Rosovsky's purpose is to explore and explain why "fully two thirds to three quarters of the best universities in the world are located in the United States." The reasons are many, beginning with an intense competitiveness among American universities for students and faculty members. The quality of students, Rosovsky argues, has been assured by the prevailing system of admitting students without regard for financial need. By seeking to assemble an entering class that recognizes individual merit and achieves substantial geographic and ethnic diversity among its members, the system "is one of few social processes in our country in which the advantages of the rich are so consciously limited."

The quality of faculty has been assured by the system of tenure, now under increasing public attack as "a prescription for going to seed." Rosovsky states the argument for tenure with a forceful clarity born of experience and conviction. He defends tenure as the principal guarantor of academic freedom, especially for the unconventional and the nonconformist; as a source of internal discipline in the selection of faculty; and as a social contract essential to maintaining the quality of the faculty. Far from supporting deadwood or burnout, tenure grants that special combination of freedom and security that has made American higher education preeminent.

For those who still think that academic deans lead lives of quiet contemplation, Rosovsky's description of a dean's day will surely be revealing. He compares himself to a dentist: "twelve to fourteen interviews a day, frequently accompanied by pain." In half-hour bites, he confronts sexual harassment, overcrowded dormitories, tensions with Radcliffe, a faculty member's assertion that his salary increase was an insult, another faculty member's refusal to meet his classes because the students are "insubstantial," student complaints about a scheduling conflict between a minor Jewish holiday and commencement, and the frequency of classroom painting.

Between these appointments, he attends a faculty meeting, woos a young philosopher for a faculty position, confers with the president and briefs reporters from the student newspaper. Then he catches an early evening plane to a meeting of university provosts and deans in Palo Alto.

The most compelling part of the book is Rosovsky's argument in favor of a "university college" — an undergraduate liberal arts education at the feet of dedi-

cated teachers who are committed to scholarship and immersed in research. Rosovsky has written an important book — probing, wise, shrewd, fair — about the strength and fragility of American universities. It deserves to be widely read.

James O. Freedman, president of Dartmouth College, wrote this for *The Washington Post*.

## BEST SELLERS

The New York Times  
This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

Week	Title	Author	Weeks on list
1	DEVICES AND DESIRES, by P.D. James		1 5
2	THE BAD PLACE, by Dean R. Koontz		2 5
3	OH, THE PLACES YOU'LL GO, by Dr. Seuss		1 5
4	A BULLING PASSION, by Judith Mitchell		4 6
5	COUNTERATTACK, by W.E.B. Griffin		8 4
6	VINELAND, by Thomas Pynchon		3 6
7	COLD HARBOUR, by Jack Higgins		5 6
8	CLEAR AND PRESENT DANGER, by Tom Clancy		6 26
9	DADDY, by Danielle Steel		7 15
10	HOLLYWOOD, by Gore Vidal		9 2
11	CARIBBEAN, by James A. Michener		11 15
12	WHITE NINJA, by Eric V. Lustbader		14 4

Week	Title	Author	Weeks on list
13	THE DARK HALF, by Stephen King		13 17
14	HARMFUL INTENT, by Robin Cook		10 7
15	THE BURNING OF MARGARITA VILLE, by Jimmy Buffett		12 19

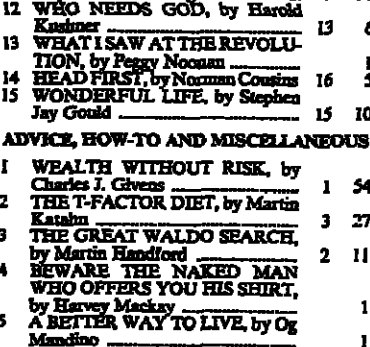
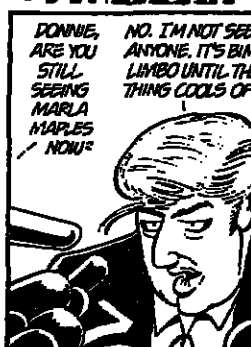
## NONFICTION

Week	Title	Author	Weeks on list
1	MEGATRENDS 2000, by John Naisbitt and Patricia Aburdene		1 5
2	BARBARIANS AT THE GATE, by Bryan Burroughs and John Hersey		2 5
3	LIAR'S POKER, by Michael Lewis		3 16
4	IT WAS ON FIRE WHEN I LAY DOWN ON IT, by Robert Fulghum		4 23
5	THE TEMPTING OF AMERICA, by Robert H. Bork		6 11
6	ALL I REALLY NEED TO KNOW I LEARNED IN KINDERGARTEN, by Robert Fulghum		5 69
7	THE EMPEROR'S NEW MIND, by John Kenyon		7 5
8	THE CUCKOO'S EGG, by Clifford Stoll		8 4
9	AMONG SCHOOLCHILDREN, by Tracy Kidder		11 26
10	THE SECOND WORLD WAR, by John Keegan		10 2
11	A BRIEF HISTORY OF TIME, by Stephen W. Hawking		9 97
12	WHO NEEDS GOD, by Harold Black		13 6
13	WHAT I SAW AT THE REVOLUTION, by Peggy Noonan		1 5
14	HEAD FIRST, by Norman Cousins		16 3
15	WONDERFUL LIFE, by Stephen Jay Gould		15 10

## ADVICE, HOW-TO AND MISCELLANEOUS

Week	Title	Author	Weeks on list
1	WEALTH WITHOUT RISK, by Charles J. Givens		1 54
2	THE T-FACTOR DIET, by Martin Gostin		3 27
3	THE GREAT WALDO SEARCH, by Martin Handford		2 11
4	BEWARE THE NAKED MAN WHO OFFERS YOU HIS SEAT, by Harvey Mackay		1 1
5	A BETTER WAY TO LIVE, by Og Mandino		

## DOONESBURY

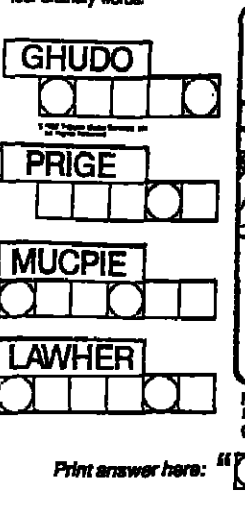


## DENNIS THE MENACE



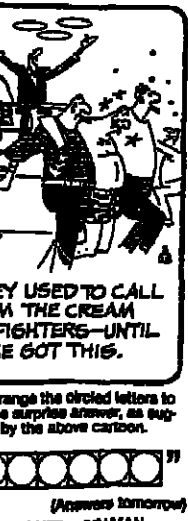
## JUMBLE

Unscramble these four Jumble words. One letter in each square, to form four ordinary words.



## BLONDIE

Unscramble these four Blondie words. One letter in each square, to form four ordinary words.



## GARFIELD



## WIZARD OF ID



## REX MORGAN



## ANDY CAPP



## BEETLE BAILEY



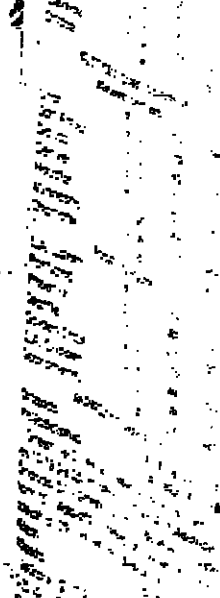
## PEANUTS



## WIZARD OF ID



## WIZARD OF ID



## SCOREBOARD



## SPORTS

## Only Rumors Circulate in Baseball Talks

## VANTAGE POINT/Dave Anderson

## Tony C. a Sad Memory For One Former Pitcher

New York Times Service

NEW YORK — In baseball, history is made by certain players and pitchers. One is seldom mentioned without the other. Often they are linked in identifying a memorable home run: Bobby Thomson's pennant-winning homer off Ralph Branca, Henry Aaron's 715th homer off Al Downing, Roger Maris's 61st homer off Tracy Stallard.

From those moments on, the batter celebrates while the pitcher suffers. Occasionally the coupling involves a batter hit by a pitch. Ray Chapman died in 1920 after being struck in the head by Carl May's underhand fastball.

Joe Medwick was never the same slinger after Bob Bowman beamed him.

Don Zimmer's scarred skull is a reminder of a major league pitcher, Jim Kirt.

But after those incidents, both the batter and the pitcher suffer. Such is the connection between Tony Conigliaro and Jack Hamilton.

Conigliaro, as it has been ever since Aug. 18, 1967, in Boston's Fenway Park. "I wish it never happened," Jack Hamilton was saying. "But I know in my heart I wasn't trying to hit him."

Tony C.'s funeral was held Tuesday in Revere, Massachusetts.

He died last weekend of kidney failure at the age of 45 after having a stroke around the clock nursing care since his attack in 1982.

At 22, he had led the American League with 32 home runs. At 22, he was the youngest slugger to accumulate 100 homers.

But his life was never the same after Hamilton, then a right-hander with the California Angels, fired a first-pitch fastball that crashed the left side of the 23-year-old Boston Red Sox outfielder's face.

"I never hit a guy that hard in my life," Hamilton recalled. "He went right down. He just collapsed."

Tony C.'s clubhouse was fractured, his jaw dislocated, his vision blurred.

After sitting out the 1968 season, he hit 20 home runs for the Red Sox in 1969, then he had 36 homers in 1970 while driving in 116 runs.



Tony Conigliaro, after he was hit by a Jack Hamilton pitch in 1967.

"He'd been hit a lot of times," Hamilton said. "He crowded the plate like Richie Ashburn did."

Hamilton remembered it as a day game because "I tried to go see him in the hospital late that afternoon or early that evening but he was just letting his family in."

Maybe he was thinking of going to the hospital after Saturday's afternoon game.

"Our next trip into Boston that year," he said, "our manager, Bill Kirtley, didn't know if I should go."

"Some people had called the Angels office and warned that I shouldn't go back to Fenway Park, so Kirtley called me and left it up to me. I went."

The Angels didn't return to Boston until early in the 1968 season. Maybe he was thinking of the Saturday afternoon game and the Sunday doubleheader that followed the Friday night game.

"Whenever it was," Hamilton said, "I remember getting a few boos and seeing people waving their handkerchiefs at me."

"When Tony came back in 1969, I really didn't try to talk to him about it. I'm just sorry it ever happened. I've had to live with it, too."

Compiled by Our Staff From Despatches

NEW YORK — If there is any chance at all that a settlement of baseball's labor dispute can be achieved in time for the owners to lift their nearly two-week-old spring-training lockout and salvage the start of the season, it seems to hinge on the possibility of a last-minute proposal the owners might make before a meeting of the players' executive board in Phoenix on Tuesday.

Speculation about such a proposal emerged from a "courtesy call" that union chief Donald Fehr paid on the commissioner, Fay Vincent, before leaving for the meeting in Phoenix.

No one was saying that any kind of proposal would be forthcoming and it was indeed possible that none would be.

Charles O'Connor, the owners' labor spokesman, gave no indication of any such plan. He merely released a list of its current proposals, a few of which were new.

The owners changed their position from two years to three on when either side could terminate the proposed four-year agreement and initiate negotiations on a new one.

They offered collision protection in the form of triple damages and a look-free agency remedies if the clubs were again found to have engaged in collusion against free agents.

And they said that members of the study commission on revenue sharing would be non-baseball people.

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"I know there are 649 other players and some of them feel the same way I do and some feel three years is too long," Brett, the Kansas City first baseman, said. "Personally, I feel three years is enough."

Fehr said Monday that he hadn't heard any complaints from the players.

Negotiators for the two sides did not meet at the bargaining table Monday.

Instead, they spent the morning and the early part of the afternoon making telephone calls and sending each other messages dealing with the language on such matters as the study commission the owners want and the collusion protection the players want.

Fehr said the communications did not touch on the key issues in the dispute: eligibility for salary arbitration and the owners' contribution to the players' pension and benefit plan.

If the owners were to make a new proposal for the union's executive board to consider Tuesday, it was not likely that it would include a change in the owners' position on arbitration eligibility.

The owners have been adamant about keeping the eligibility level at three years of major league service.

More likely, if the owners are prepared to make a deal, they would offer the players what they want in other areas: a \$100,000 minimum salary for 1990, a return to 25-man rosters from the limit of 24 the clubs have maintained the last few seasons and a \$60 million annual contribution to the pension and benefit plan.

(NYT, AP)

## Getting Down to Arbitration

## Bargaining Power for Players Is No Bargain for Owners

By Richard Justice

Washington Post Service

NEW YORK — Just what is salary arbitration, this process whereby major league baseball players and owners have to agree on what to do about a player's salary?

How can it be so simple that it has taken 18 years ago now to get to this point?

The answer is it's an inexact science that ought to be changed or junked. They point to the arbitrator who once asked a player for his autograph and how, at that point, they side knew the case was lost.

They point to Ron Darling, the New York Mets pitcher, who once was a case when a key piece of evidence had been destroyed by his appearance on the "Good Morning America" and "Saturday Night Live" television programs.

They point to the difference between on-base average and batting average to him was fuzzy, at best.

They point to the thousands of dollars spent on fees to prepare the cases and the millions of dollars spent on contracts simply because they're afraid to walk into the hearing room.

"It is not a fair system," Mike Port, the California Angels' general manager, said. "It's not a level playing field."

And then there are the players. They have offered to drop arbitration if the owners open the free market to every player. They demand everyone that it was not their first choice anyway, and that the owners suggested it as an alternative to free agency.

Once, it was free agency that terrified the owners. They said it would destroy the game. They said the New York Yankees would win the pennant every year. Now they have accepted free agency as part of the baseball landscape.

Instead, their attention is focused on arbitration, which the owners hate so much that free agency for all players was one proposal considered for this round of collective bargaining talks. To some owners, that seemed better than arbitration.

On the surface, arbitration sounds so clean and simple. It affects only about a third of baseball's 624 players and six years of major league service. After six years, players are eligible for free agency, in which all clubs are free to bid for their services.

It works this way: When those three- to six-year players can't reach contract agreement with their teams, they have the right to have the dispute taken before a professional arbitrator. Each side makes a presentation. The player's agency emphasizes positive statistics, similar salaries and box office appeal, and the club mentions the dozen or so negative things the player didn't do.

Each side submits a salary figure — twice in 18 years, the player submitted a lower figure than the club. The arbitrator weighs the evidence and chooses one salary or the other.

The owners have volunteered to keep the arbitration system as it is, if the players will agree to form a study group on the economics of the game. The owners believe the study group will convince the players that a revenue-sharing system

like that of the National Basketball Association, in which the players would receive a fixed percentage of the major leagues' income, is needed.

"I believe that revenue participation is the best way I know of allocating money within professional sports on some sort of fair basis," Fay Vincent, the commissioner of baseball, said. "And I think that, in fact, the players do get a percentage of revenue at the moment, and that 48 percent would be an increase above what they presently get. The baseball experience demonstrates that it is everyone's interest to build revenues and not to fight over collective bargaining agreements on a regular basis."

Meanwhile, the players not only don't like the idea of revenue sharing, they want to change the arbitration system in another way.

Outstanding Issues

1. Salary arbitration. The union wants arbitration restricted to players with between two and three years of service. The union gave this up in the 1985 settlement. The owners want it to remain at three years.

2. Minimum salary. Owners are proposing a raise from \$44,000 to \$55,000 in 1990 with cost-of-living increases each season or three years.

3. Batting. The owners propose keeping the minimum at .24 while the union wants it raised to .25, the limit before the 1985 contract.

4. Benefits. Management's proposal would raise \$44.6 million a year while the union is asking for between \$4.6 million and \$6.6 million a year. The contribution was \$39 million in the final year of the 1985 agreement.

5. Collusion. The union wants arbitration to be automatic for players who are found guilty of collusion. The union's proposal is different from the 1985 agreement, which provided for arbitration in future years among "new" free agents.

6. Free agency. The union wants the union to be able to opt out of free agency for players with less than three years of service. The union's proposal is different from the 1985 agreement, which provided for arbitration in future years among "new" free agents.

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